# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Terror gunmen hold 50 hostage

Japanese Red Army gunmen held out in an office block in Kuala Lumpur last night with about 50 hostages, awaiting the arrival of seven comrades promised freedom by the Japanese Government.

Heavily armed and masked, the gunmen shot their way into the 12-storey American insurance company building and threatened to kill the hostages unless Japan released their comrades. The Japanese Prime Minister, Takeo Miki, in Washington for talks with President Ford, agreed to their demands and ordered a plane to take them to Kuala Lumpur. But two of the seven refused to make the journey.

Their refusal seemed likely to mean further delicate negotiations for the hostages, who include U.S. consul Robert Stebbins and Swedish chargeé Fredrik Bergebstrahle. Page 5.

### Heatwave hits new peak

Record-breaking temperatures of up to 93F brought Britain's heatwave to a new peak yesterday and the weathermen predict more of the same, though interspersed with thundery showers in some parts. It was the hottest da ysince records were started at Edinburgh 79 years ago. Blackpool was the hottest resort at 90F.

### Loyalists claim IRA-Army deal

Ulster Loyalists' view that some form of safe conduct deal has been reached between Ulster Secretary, Mr. Merlyn Rees and the Provisional IRA, was strengthened by reports that an army patrol failed to arrest Provo chief of staff Seamus Twomey in a Belfast street last week. The army denied the report. Mr. Rees holds a security review to-day. Page 8

### 3rd time unlucky

Mr. John Stonehouse was again refused bail by a magistrate yesterday and is to make his fourth appeal, to a judge, to-day.

### Crash inquiry

An inquiry commission began searching the wreckage of the crashed Boeing in Morocco, particularly for the flight recorder, after aviation's third worst disaster in which 188 died on Sunday.

### Gandhi move

Mrs. Gandhi moved further to ensure she is not called to account for election malpractices, by introducing into the Indian Parliament retroactive law which would nullify two High Court convictions against her. The measures are sure to be passed. Back Page, Editorial comment Page 12

### People and places

Four African curfew breakers, two on their way to join guerillas, were shot dead by Rhodesian security forces, a government communique said. Rhodesia talks, Page 5

Typhoon left at least 10 dead and 132 injured in Taiwan at the weekend.

Two children died in a caravan fire at a holiday site near Oxford.

Air India 747 pilot successfully aborted a Heathrow take-off because of an engine fire as the plane rolled down the runway.

More than 7,750 people have been detained in Iran for hoarding and price rigging in a tough anti-inflation campaign. Page 5

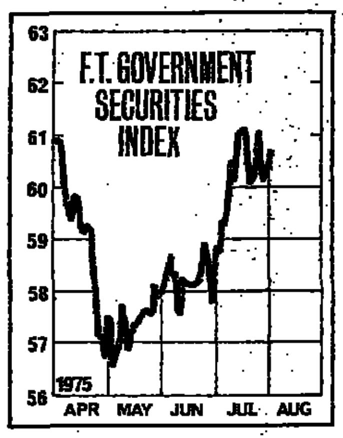
A streaker hurdled both wickets before the Lord's crowd who watched England amass 436-7 for a second innings lead of 483 in the second Test. At the close, Australia were 97-1. Page 2

### BUSINESS

## Equities markings lowest since War

● EQUITIES benefitted at the start from early firmness in Gilts, but lack of investors brought prices drifting downwards. Official markings at 3,480 were the lowest for a normal day—apart from holiday periods—since World War Two. The FT 30-share index closed 0.7 down at 282.1.

● GILTS opened with a rally in response to the new long "tap" stock announced last Friday.




Closing rises extended to ¾ in light trading, with the Government Securities index improving 0.26 to 60.70.

● GOLD closed 25 cents easier at \$166¼ (\$166½).

● THE POUND closed at 2,142 against the dollar, with its trade-weighted depreciation widening to 26.6 per cent. (26.3). The dollar's was 2.92 per cent. (2.87).

● WALL STREET closed down 8.45 at 818.05.

● U.S. TREASURY BILL rates were: threes 6.456 per cent. (6.318) and sixes 6.864 per cent. (6.864 per cent. (6.719).

● STOCK EXCHANGE turnover in Gilts during July rose about 58 per cent. to £7.3bn., the highest since January's record £8.4bn. Trading volume in equities dropped to £1.2bn. Page 8

● BP expects the first oil from the Forties Field to reach Grangemouth by the end of October, the Commons were told. Page 9

● NVT shop stewards last night rejected company proposals to operate a single factory and call in the liquidator for its Wolverhampton plant. Back Page

## ICL sacks 205 more

● ICL plans to sack a further 205 employees, bringing redundancies this summer to over 600. Page 8

● SHIPBUILDING workers at Swan Hunter yards voted to continue their strike in support of a £10.30 rise. Page 9

● SHOP WORKERS union, USDAW is to be told that a 13.9 per cent. pay rise negotiated for 150,000 employees in grocery retail chains contravenes the Government's new pay policy and cannot be paid. Page 9

● INDONESIA is placing orders worth £13m. for broadcasting equipment with U.K. companies. Back Page

### COMPANIES

● LETRASET International reports £0.72m. drop in profits to £2.01m. for year ended April, 1975. Page 14

● METAL BOX rights issue failed when only 59 per cent. of the shares offered were taken up. Back Page

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES | | | FALLS | | |
|---|---|---|---|---|---|
| Treasury 6½pc '77 £94⅝xd | + | ⅛ | Barlow Rand | 293 | − 5 |
| Treasury 13¾pc 1997 | 95½ | + ⅜ | Boots | 96 | − 2 |
| Aaronson Bros. | 30 | + 4 | "Bats" | 275 | − 8 |
| Baker Perkins | 78 | + 3 | Bridon | 120 | − 3 |
| Churchbury Estates | 128 | + 11 | Deritend Stamping | 92 | − 4 |
| Dalgety | 184 | + 4 | Electronic Machine | 12 | − 2 |
| Goldrei Foucard | 24 | + 4 | Farnell Elect. | 59 | − 4 |
| Jamaica Sugar | 16 | + 2 | Furness Withy | 227 | − 5 |
| Petrocon | 93 | + 2½ | GKN | 198 | − 4 |
| Restmor | 42 | + 3 | Kinloch | 110 | − 4 |
| Sandeman (Geo.) | 40 | + 5 | Land and House | 68 | − 5 |
| Standard & Chartered | 445 | + 5 | Land Securities | 135 | − 4 |
| Unilever | 324 | + 4 | Land Secs. 6¼pc Cnv. | £90 | − 7 |
| Tubenoil | 23 | + 2 | Morris (Herbert) | 40 | − 4 |
| Charmace | 50 | + 4 | Nottingham Mnf. | 43 | − 3 |
| Peacock Sasini | 37 | + 3 | Rank Org. "A" | 120 | − 5 |
| Poseidon | 200 | + 5 | Sainsbury (J.) | 128 | − 3½ |
| Pet. Plat. | 235 | + 3 | Security Services | 70 | − 3 |
| | | | Tube Invs. | 228 | − 4 |
| | | | Cessnock | 170 | − 10 |
| | | | Bracken | 292 | − 6 |
| | | | New Wit. | 270 | − 15 |

# Reserves up \$61m. as £ hits new low against dollar

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

**The U.K.'s official reserves went up by \$61m. during July to stand at \$6.259bn. at the end of the month, the Treasury announced yesterday.**

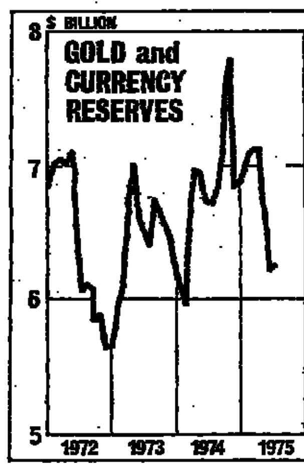
The news came after the pound had already touched a new low of \$2.1355 against the U.S. dollar, before recovering to \$2.1420, itself a record low closing rate, compared to \$2.1475 last Friday night.

With the further decline against the dollar exerting an important influence, the pound's weighted value against the leading world currencies gradually slipped during the day from Friday's 26.3 per cent. to close at 26.6 per cent. below December 1971 levels.

While the U.K. authorities have not been prepared to make uncompromising stands against strong adverse currency movements in recent months, there have been definite signs lately of official steadying of the dollar/sterling rate by the Bank of England.

This occurred again yesterday, although late in the afternoon the pound's recovery in terms of the dollar was helped by a general bout of profit-taking against the U.S. currency—including by Middle East operators—which left the dollar itself slightly weaker on a weighted basis at the end of the day.

The decline in sterling's value against the dollar contrasts strongly with its improvement against other currencies since the announcement at the beginning of July that the Government intended to introduce its incomes policy package. At that




time the weighted value of sterling had dropped to an all-time low of 28.9 per cent. (official) close and 29.3 per cent at one stage.

What the reserve figures underline is that sterling basically recovered sharply against most currencies after the early days of July, but that there was a limit to which it could stand up against the dollar, whose long-predicted recovery came with a bang.

The weighted depreciation of the U.S. currency narrowed from 9.89 per cent. below December, 1971, levels on July 1 to 5.81 per cent. at the end, according to official calculations.

The Treasury admitted yesterday that the reserve rise was after taking account of further foreign currency borrowing totalling \$69m., the main element of which was the previously announced \$45m. loan by the European Investment Bank to the British Gas Corporation.

This, however, is only part of the story. In addition to a genuine recovery in interest in sterling after the foreshadowing and eventual unveiling of the incomes policy package, the pound was boosted by a build-up in the demand for sterling by oil companies for the payment of oil royalties.

The average amount of oil royalties paid in sterling each month has been running at more than \$1bn. this year, and the demand for sterling from this source is always particularly strong in July.

By no means all oil companies have to go into the market for sterling at this time—the big international companies based in the U.K., for instance, will already have the sterling from their other operations—but the demand during July still runs into hundreds of millions of dollars worth, and this was a major boost to the pound for much of last month.

In the case of the sterling dollar rate, large purchases of pounds by U.S.-owned oil com-

Continued on Back Page
Editorial comment, Page 12

# Distillers to raise £25m. through 10-year FCI loan

BY MARGARET REID

DISTILLERS, the large whisky and gin group, is raising a £25m. ten-year loan from Finance Corporation for Industry, part of Finance for Industry, the City's vehicle for providing medium-term funds for industry.

The advance is the largest so far made available by Finance for Industry—owned by the Bank of England and the big banks—since it was enlarged to operate a £1bn. lending facility. Indeed, £25m. is its normal maximum limit for loans.

There has been a certain amount of interest in the City over whether Distillers, which recently announced reduced pre-tax profits of £71m. for the year to March 31, 1975 (£84.2m. in 1973-74), would raise cash through a rights issue, like many other large concerns.

### Other ways

Indications last night, though, were that a rights issue had not been seriously considered. Instead, the group, which is obtaining the present loan from FCI to provide fixed and working capital to finance the laying down of stocks of maturing whisky, has raised money in other ways this year.

In the first part of May, it borrowed \$25m. (£11.7m.) through a private placing with U.S. institutional investors of 10¼ per cent. promissory notes, due for repayment in 1990. This cash was for general purposes, including particularly the financing of Scotch whisky stocks.

Later the same month, the group obtained about £12m. for ten years at 9¾ per cent. from the European Investment Bank, the Common Market's long-term financing institution, to help finance construction of a £25m. blending and bottling plant for Johnnie Walker whisky at Shieldhall, near Glasgow.

### Interest rates

For the money it is now raising, Distillers is taking advantage of both the interest rate arrangements available on advances from Finance for Industry, which is prepared to make its medium-term loans at either fixed or fluctuating rates.

Of the total amount of the loan, on which repayments will begin in 1978, £15m. will carry interest at a fixed rate of 15 per cent. Interest on the remaining £10m. is to be at a variable rate 2½ per cent. above London inter-bank rate for six month internal deposits—a formula which would at present imply a rate of some 13 per cent.

Distillers shares, which this year have ranged between 65½p and 150p, last night closed 1p down at 106p.

Distillers' new financing operation may well focus the attention of other companies needing further money on the possibilities of raising substantial finance from FFI. This could prove particularly so, in view of the slowdown (illustrated by the outcome of the Metal Box issue) in the recent spate of rights issues—a prominent alternative method of cash-raising this year.

Indeed, FFI, whose chairman is Lord Seebohm, has already received applications for more than £500m. of loans and has offered advances of over £125m.

Among borrowers which have disclosed that they have received loans are Slough Estates, which has raised £5m., and J. Lyons, which has borrowed £20m.

It is also known that Chrysler U.K., the motor group owned by Chrysler Corporation, of the U.S., has sought a loan of some £35m.

Metal Box rights issue fails
Back Page

# Steel policy statement to-morrow

BY LORELIES OLSLAGER, LABOUR STAFF

THE GOVERNMENT is to announce to-morrow its reaction to the British Steel Corporation's plans to phase out open-hearth steelmaking in Scotland over the next five years.

But it is unlikely to commit itself to any decision this week on the future of steel making at Shotton in North Wales.

In Scotland, implementation of BSC's closure plans was once estimated to mean the net loss of some 6,500 jobs. The Corporation now estimates the loss at about 3,000 because of new jobs created through new investment, but nevertheless any closure decision is expected to meet with local opposition.

The Government had been expected to make an announcement on both Scotland and Shotton this week. But union leaders last night thought that it might want to put off a decision on the Welsh plant until after the summer Parliamentary recess while looking for ways to mitigate the social and economic effects on a community already suffering heavy unemployment.

### Shotton plans

BSC's plans to phase out steelmaking at Shotton would mean the loss of about half the 12,500 labour force. The Corporation had initially proposed to put this plan into effect during the years 1976 to 1978, but has already been told by the Government that—whatever the final decision—steelmaking at Shotton must not stop before 1980-81.

Instructions to postpone closure of steelmaking at Shotton came in the first part of the Government's review of BSC's 10-year development strategy earlier this year.

The announcement this week is the second instalment of the review conducted by Lord Beswick, the Minister for Industry.

Shotton steel workers have already drawn up various contingency plans for action in case the Government review should go against their plant. They also have submitted detailed proposals on how steel making at Shotton could be retained. This contradicts BSC's argument that it could only be achieved at the expense of plans for development at the Port Talbot plant in South Wales, where capacity is to be doubled to 6m. tonnes a year under the 10-year strategy.

FEATURES



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# Observer to issue notices this week

By John Wyles, Labour Reporter

MANAGEMENT at The Observer yesterday risked a serious confrontation with the main printing unions by announcing that compulsory redundancy notices will be issued this week as part of a cost-cutting programme designed to secure the newspaper's future.

This move marks the failure after six weeks of negotiations of the management's bid to win the printing unions' agreement to manning cuts averaging 30 per cent. among production staff who are very largely part-time.

The unions were still considering their official reactions last night but it is likely that most will leave the decision on whether to take any action against the redundancy notices to their individual chapels (office branches) at the Observer.

A threat to halt the publication of the newspaper next Sunday would not surprise the management which appears to be hoping that the chapels may finally prefer to be forced to accept cuts rather than set a precedent for other newspapers through voluntary co-operation.

The Observer has had most success in securing union agreement to cuts among its full-time staff, which is to be reduced from 400 to 300. The National Union of Journalists and clerical, messengers and other back-up staff belonging to the National Society of Operative Printers, Graphical and Media Personnel have fallen in line with the management's plans and produced sufficient volunteers for redundancy to bring final agreement near.

But production workers belonging to NATSOPA, the National Graphical Association and the Society of Graphical and Allied Trades have generally opposed reductions on the scale planned and have withheld official lists of volunteers.

Management has refused to reveal the number of notices which will affect members of these unions but they could well total between 200 and 300. The vast majority are part-time workers who will receive notices on the basis of "last in, first out" unless union officials can produce names of older workers who want to take redundancy.

In a statement issued yesterday the Observer regretted that "there is no agreement yet with the chapels representing part-time staff and a few others where the heaviest production costs are involved."

These chapels had made suggestions but they fell short of the company's needs and management had been left with "no alternative" but to issue the notices. In addition, the savings it was seeking "have got to be effective this week."

## TWO DIE IN PORTUGUESE RIOT

# Goncalves fails to form government

BY JANE BERGEROL — LISBON, Aug. 4.

GENERAL VASCO Goncalves, the Portuguese Prime Minister, has told President Costa Gomes and General Otelo Saraiva de Carvalho, commander of the Copcon Security Forces, that he is unable to form a fifth provisional government for Portugal.

The Communist-sympathising Prime Minister, after over three weeks of trying to get a new government together after withdrawal from the fourth coalition of the Socialists and Popular Democrats, and later resignations by leading left-wing civilian independents, has had to admit defeat and is now certain to resign.

His failure comes at a time when the political tensions in the country are beginning to lead to violence and rioting.

### Trapped

Two demonstrators taking part in an assault on Communist Party offices in the northern town of Familicao were shot dead last night by Copcon security forces who fired to disperse the mob. The assault came the night after a crowd of several hundred besieged the party offices causing trapped Communists to fire shotguns over their heads wounding several people. The Communists were evacuated from the building by military forces and taken to Oporto where they were set free.

A Communist Party communique justified the use of firearms as being in legitimate self-defence but denied that automatic weapons and grenades were found inside the Communist offices.

Last night's death toll is the highest so far in a single incident since the April 25 revolution. It follows an escalation of anti-Communist violence in the north, as offices of the Portuguese Communist Party and of the Communist-dominated MDP-CDE have been sacked, militants of both parties have been run out of town and their homes and cars attacked. The anti-Communist witchhunt, feared by leading armed forces officers as long ago as May, has reached such proportions that it has precipitated intervention in the political crisis by leading commanders of Copcon operational units, headed by General de Carvalho, who are now anxious that the internal situation should be cooled by formation of a Government of national unity.

In a vital meeting this morning between the ruling troika and about 50 leading operational unit commanders, a majority of officers were pressing President Gomes to take personal charge of forming a new Government, but the general is understood to be reluctant to take on the double role of Prime Minister and President. Instead, the suggestion made by General Otelo, who has played a leading role in forcing General Gonclaves' resignation, may be taken up. This is for a number of Vice-Prime Ministers with a liaising role between the ruling troika and the Cabinet. They could be predominantly military men or a mixture of military and civilians.

At all events, the new Government is now widely tipped to represent a Government of national unity, bringing leading armed forces movement moderates back on to the field, headed by Major Melo Antunes, the former Foreign Minister. High political sources also intimated that Socialists and possibly Popular Democrats will be invited back into the Government, although this would not be a coalition but a Government drawing participation from a wide party front.

It is too early yet to say whether the crisis has definitely been resolved not merely because official spokesmen continue to refuse comment on the situation, including General Goncalves' resignation, but because unrest in key military units has reached such a pitch that armed forces leaders are hesitating to announce firm action at this stage in case a clear decision sparks confrontation inside the barrack rooms.

The highly emotional issue of the replacement of Colonel Jaime Neves as leader of the Amadora Lisbon Commando Regiment has yet to be resolved, with a plenary session of all 850 commandos plus General Otelo due to vote on the issue to-night.

However, political meetings in barrack rooms across the country have been going on at a feverish pace over the past few days. Also the navy and the air force report extreme tension among rank and file members and officers.

More than ever, resolution of the crisis rests with President Gomes and it is certain that he is emerging as a much enhanced figure from the conflicts over the past few weeks.

**£ in New York**

| — | Aug. 4 | Previous |
|---|---|---|
| Spot | \$2.1405-1415 | \$2.1465-1495 |
| 1 month | 0.96-0.90 dis | 0.82-0.77 dis |
| 3 months | 2.42-2.37 dis | 2.36-2.30 dis |
| 12 months | 8.35-8.25 dis | 6.15-6.05 dis |



LOMBARD

# Gold as the key to money reform

BY C. GORDON TETHER

THE PERVERSITY of the official attitudes *that are being adopted* towards gold to accommodate the politically inspired drive to phase it out of the monetary system was well ringed round by last week's statement from the Secretary of the German Finance *Ministry*, Herr Poehl, on the current international talks about the *future use of central bank* and IMF gold stocks. The key to agreement here, he claimed, lay in recognising that the solution of these questions *should* be *divorced* from the currently insoluble problem of *reshaping* the world monetary system.

The reality, of course, is that these questions cannot be divorced from the problem of reshaping the world monetary system because the part that gold is going to play *in international* monetary affairs is of the greatest relevance to any discussions on global monetary reform. Indeed, it would be entirely *reasonable to turn* Herr Poehl's presentation of the picture on its head and argue that the key to the solution of the "insoluble problem of world *monetary reform*" lies in restoring gold to the centre of the picture.

## Little hope

The talks to determine what is *to be done* about gold still in the monetary system—notably that held in central bank *reserves and* the substantial stock the IMF acquired from capital subscrip*tions made by* its members in this form—are being portrayed as a tidying-up *operation* necessitated by general acceptance of the principle of gold's demonetisation. The main reason why they are making such heavy weather is that the *world as a whole is still* not prepared to see gold in this light.

Part of the explanation for this, needless to say, lies in the fact *that confidence* in paper money has been seriously undermined almost *everywhere as a result of* the experiences of the past few years.

But there is no doubt that the impact of such disenchantment is being *materially accentuated by* another factor. It is the growth of the feeling that, whatever success attends the efforts now being made at national level to *halt domestic inflation*, there is little hope of relief from global inflation until action is taken to regulate the behaviour of the international monetary supply.

It is significant that this penny *has started* to drop even in America — the country whose banking system *has played such* a large part in fuelling the activities of that great international monetary breeding ground known as the Euro-currency market. In a recent editorial report replying to an *attack by Professor Milton* Friedman on its call for a new U.S. approach to international monetary reform, the Wall Street Journal said that it would not want readers to infer from his remarks that the problem of *money creation in the* Euro-currency market was a figment of the paper's idiosyncratic imagination.

## No alternative

And while admitting that it did not know how serious the problem was in *actuality*, it went on to demonstrate that it had a clear—and extremely frightening—theoretical basis, the process of money creation there being potentially such that, in next to no time, an original deposit of \$100 could be converted into a supply of money of the order of \$2,000. If, it concluded, there is in actuality in the world an unlimited source of monetary ex*pansion, it ought to be controlled.*

In theory, such control could be established without making more use of the regulatory powers of gold. But there is a *growing tendency to ask whether*, in the light of experience, it is being realistic to hope for that. In a recent issue of the American magazine International Moneyline, Professor *Laffer* of the University of Chicago, a young American economist who acts as a consultant to the Wall Street Journal and is also said to have the ear of Treasury Secretary Simon, identifies himself with the proposition that it would be a good thing to get gold back "very heavily" into the picture.

He goes on to make the essential point that governments *have got to find a way of regu*lating the growth of the money supply over the world as a whole and that the only system that has worked is the gold *exchange standard.*

The logic can hardly be seriously disputed. The further away the world has moved from the gold exchange standard, the worse the inflation problem has become. Obviously, that system is not perfect. But no one has yet been able to put forward a better one.

CRICKET: SECOND TEST — BY TREVOR BAILEY

# Spin bowling may pay, but draw seems likely

THE LORD'S Test seems to be drifting towards a draw on this placid, lifeless pitch. Faced with the daunting task of making 484 to win, Australia finished the day at 97 for 1.

It is, of course, possible that *England will capture the nine* wickets in the remaining six *hours*, but judging by the little impression that their bowlers have been able to make to date this, alas, is beginning to appear improbable.

Alternatively, it would be feasible for Australia to score the 387 *runs required for victory*, yet with Underwood around to apply the brake this is even more unlikely, especially as they are already one up and Ian Chappell would be well pleased to settle for a no result.

England began the *fourth* day at Lord's at 230 for two, a lead of 277 against a reasonably new ball in the capable hands of Lillee and Walker. The prime objective was quick runs, or at least as many as possible so that Greig could both set a large total and also give his bowlers the maximum time to remove the Australians in their second innings.

Edrich, with the confidence of a century already to his credit began brightly but at 249 the unfortunate Amiss was yet again a victim of Lillee. This brought in young Gooch who interspersed some forceful strokes with moments of uncertainty especially against Lillee, who with a long stint ahead of *him soon* reverted to a shortened run-up.

## Dominant Greig

I. Chappell *tried* to restrict the scoring and in the first hour he was reasonably successful, but then the runs began to flow more freely and Edrich produced *several superb straight drives.*

Shortly after 1 p.m. Mallett replaced Walker and Edrich reached his 150 with a leg glance. With the total at 315 Mallett bowled *Gooch as he attempted to* nudge a ball of full length rather than attempt to drive it. When lunch was taken England were 325 and Lillee had bowled non-stop for two hours, which *was* rather odd because Thomson had been kept out of the firing line.

After the interval Edrich and Greig were confronted with the bowling of Mallett and Thomson and immediately launched a *positive assault.* The England captain was the dominant partner and he frequently lashed the ball through and over a widespread defensive field. His dynamic innings of 41 ended when he was splendidly caught in the covers driving fiercely.

Shortly afterwards the Edrich marathon finished. He holed out with the *scoreboard reading* 387 and his personal score 175, a knock of *great skill*, resolution and truly remarkable concentration. The Kent pair, Knott and Woolmer, continued merrily along against an attack which had begun to wilt under the pressure and heat.

A streaker, who hurdled both wickets before being escorted from the ground added to the general enjoyment of a crowd that was revelling in England's happy position.

## Survival

The declaration was eventually applied just before 3.45 p.m. in order to gain two bowling sessions with the total at 438, after Woolmer, who had played very well was out attempting yet another big hit.

McCosker and Turner opened up against the bowling of Snow and Lever. The statistical target was 484, but survival was clearly their main concern. They were set one or two taxing problems. McCosker twice played and missed at Lever, while Snow found the inside edge on several occasions.

Greig came on with his off breaks for the last over before tea in an unsuccessful attempt to break *this partnership which* had added 44 runs at the interval. If England are to win this match the main hope would seem to lie in the spin of Underwood and his captain.

Predictably, Greig continued the attack from the Pavilion end and had his reward when Turner was snapped up at slip. Unfortunately, he was unable to maintain the accuracy required and suffered accordingly before giving way to Underwood.

The Kent spinner as usual proved hard to score against, but he failed to beat the bat as much as had been hoped. The other end was shared by Lever and Snow, who were unable to extract any more life out of this dead wicket than their Australian counterparts had done earlier in the day.

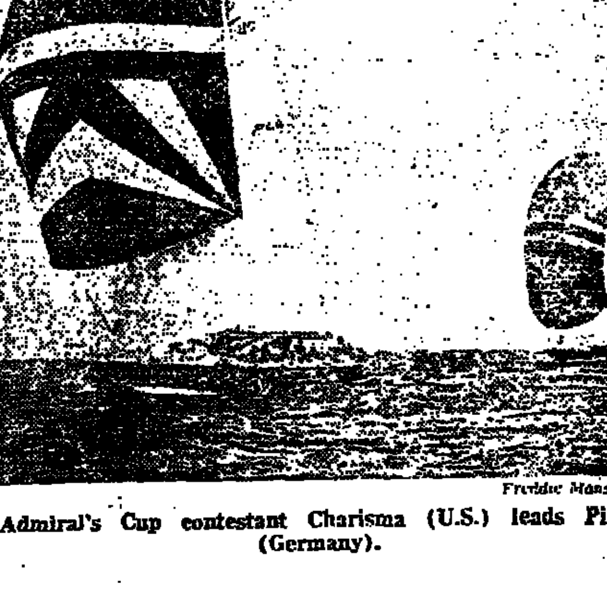
At stumps *Australia* were 97—1. If they continue to bat as efficiently, they should be able to make their escape, unless this wicket deteriorates, which on the evidence so far it shows no likelihood of doing.

YACHTING — BY ALEC BEILBY

# Battlecry vindicated by seventh place

COWES, August 4.

JOHN PRENTICE'S Battlecry, *the British team yacht* that fared so badly in the opening race of the Admiral's Cup over the weekend, more than vindicated herself at Cowes to-day finishing seventh in the first of the two inshore races, while the other two British team yachts, Robin Aisher's Yeoman XX and Ron *Amey's Noryema finished* second and sixth respectively in a fleet of 57 yachts. The British, as seems to be a trait among our sportsmen generally, have started the series with a cloud on the horizon and have then *systematically set about* dispersing it.



Freddie Mansfield

Admiral's Cup contestant Charisma (U.S.) leads Pinta (Germany).

While the British crews celebrate less tension in their efforts, the cloud has now settled over the Australian camp. Their yacht Mercedes III, designed, owned and sailed by Ted Kaufman, was over the line early at *the start and failed* to come back to recross, earning at least a 20 per cent. penalty on her time for the race and probably a shared last place with three other yachts that made the same vital error.

The race was a memorable Cowes Week classic. The fresh south easterly wind made an eastward start across the Cowes end of the starting line almost essential and produced a sight to remember for a long time.

Ted Turner, sailing the American yacht Tenacious and who broke the course record for the *Fastnet race four years ago* with American Eagle, cracked off into Cowes Harbour throwing ferries, spectator craft and others into a maze of confusion as he dodged the end of the west-running *tide* and jousted his way through the multitude of moored craft.

While others crawled over the tide further offshore those in the confines of Cowes Roads gained valuable ground but ashore the *Australian hearts fell as it was* unofficially announced that Mercedes was among those who were early at the line and there was no sign of a return.

*Their* scratch yacht Bumblebee, soon led the way round the course.

## Humble pie

Battlecry, once through the twin forts off Portsmouth, stayed to the north with the eventual race winer, the Argentinian Red Rock and the Spanish Sanumac, her owner having paid good heed *to the ministrations of* David Houghton, senior forecaster from the Meteorological Centre at Bracknell.

The Germans, with now estab*lished organisation, experience of* the Solent's tricky waters and the Admiral's Cup theirs for the first time two years ago, sailed a steady race taking fourth and fifth places with Pinta and Ruben, but it was their turn for the palpitations which the British suffered on Sunday when Duva finished 22nd. However, they *still increased their* points lead by an unconfirmed 159 as opposed to Britain's 143.

The Americans had similar problems with Ted Hood's Robin *third, Tenacious 17th* and Jesse Philips' Charisma, which, with Tenacious, had done so well yesterday, 23rd.

Unfortunately for the British *this race counts only for single* points, but those who had supported Tony Morgan's More Opposition as an alternative to Battlecry, are now eating humble pie even though More Opposition's crew representing Switzerland, took eighth place one behind Battlecry.

To-morrow the larger yachts, Admiral's Cup competitors or otherwise, race for the Britannia Challenge Cup, the first of the two traditional Cowes Week *classics and the race officers of* the Royal Yacht Squadron have brought the usual 10.30 a.m. starting time forward by one hour and are to set a course *round the Isle of Wight for the* first time since the race became part of the Admiral's cup series.

Now, because of the size of the Admiral's Cup fleet, their inshore races have been separated from the traditional Cowes Week event and the old traditions, broken in 1957 when the Admiral's Cup series began, can be upheld once more even though it may mean a late *arrival for those competing in* the Royal Corinthian YC Ball to-morrow night.

Admiral's Cup points after two races (unofficial): Germany 429; U.S. 423; Great Britain 403; Australia 378; New Zealand 333.

RACING — BY DOMINIC WIGAN

# Mount Grace day's best bet

JEREMY HINDLEY'S much-improved Winter Melody runs at *Ayr, but the Kremlin House* stable jockey, Tony Kimberley, has decided to go to Redcar, primarily to partner four-year-old Winter Melody's stable companion, *Mount Grace*, in the Yorkshire course's Kildale Plate.

Mount Grace, a strongly-made chestnut daughter of Mountain Call, followed up several well-placed efforts for Denys Smith's Bishop Auckland establishment *by obliging at the first time of* asking for the Kremlin House team when landing the one-mile Ferrier Plate at Yarmouth 12 days ago.

*An 8-1 chance to deal with her* 18 opponents, Mount Grace came through smoothly to take up the running at the distance and found no difficulty in beating La Sovereign by 2½ lengths.

She appears to have no more to do this afternoon and it will be a surprise if she fails. Periplus, a fair fourth of 14 behind Bustello here three weeks ago, receives 7 lbs from Mount Grace *and may give the* Newmarket filly most to do.

Now that Kimberley's intended

**BRIGHTON**

2.00—Senorita Rugby
3.00—Flying Colours
3.30—Jetador
4.00—La Falaise**

**AYR**

2.45—Pitmoy
3.15—Winter Melody
4.15—Allez Stanwick
4.45—Mount Irvine

**REDCAR**

3.00—Spring Hope
3.30—Mount Grace***
4.00 Rising Falcon
4.30—Targa Bella*

partner, *Congenial*, has been scratched from the Rosedale Stakes I shall be disappointed if *Rising Falcon* cannot gain his second victory over this 1½-mile course and distance. The Arundel three-year-old is in fine trim. With the fast conditions which suit him, he seems unlikely to fail. Sweet Joe, a two-lengths runner-up on his last appearance to Chas Sawyer, may follow the selection home.

After three second-placed efforts from four appearances, *Targa Bella* deserves a change of fortune—and I am hoping it will *come in the Deepdale Plate. Bill* Elsey's Lauso filly, a 1½-length runner-up to Scutari at Edinburgh recently, appears to have little to beat here.

*In addition to Redcar there are* afternoon programmes scheduled for Brighton and Ayr. *La Falaise*, who has only Lomaloma and Onward Tsubame to beat in the Sussex track's Pier Handicap, appeals as a good betting proposition.

Rising Falcon's stablemate, *Mount Irvine*, should be good enough to give the weight away in the Heads of Ayr Stakes.

# TV/Radio

† Indicates programme in black and white.

## BBC 1

9.55 a.m. Wacky Races. †10.05 Casey Jones. 10.30 Vision On. *10.55* Cricket: Second Test. England v Australia. 1.30 p.m. Bagpuss. 1.45 News. 1.50 'Steddfod 75. 2.15 Cricket: Second Test. England v Australia. 4.15 Interval. *4.23 Regional News (except* London). 4.25 Play School. 4.50 Tom's Midnight Garden. 5.15 Brainchild. 5.40 Sir Prancelot.
5.45 News.
6.00 Nationwide (London only).
6.30 Tom and Jerry.
†6.40 "Tarzan and His Mate," starring Johnny Weissmuller and Maureen O'Sullivan.
8.10 Sutherland's Law.
9.00 News.
9.25 Muhammad Ali: Ali talks candidly about his family and his feelings on returning home.
10.10 Going Places.
10.40 Challenge Golf.
11.30 *Weather/Regional News.*

All regions as BBC 1 except at the following times:

Wales—2.30-3.30 p.m. Eisteddfod Genedlaethol Frenhinol Cymru Bro Dwyfor 1975. The Crowning Ceremony. 3.30 Rejoin BBC 1 Cricket. 5.15-5.40 Arch Noa. 6.00-6.25 Wales To-day. 6.25-6.50 Lifeboat 70-002. 6.50-7.00 Tom and Jerry. 7.00-7.05 Newyddion. 7.05-7.40 'Steddfod '75. 7.40-8.10 Larger Than Life. 10.10-10.40 Journey To The Far East. 11.30 News of Wales.

Scotland—6.00-6.30 p.m. Reporting Scotland. 10.10-10.40 The Rough With The Smooth. 11.30 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.30 Scene Around Six. 10.10-10.40 The Countryman. 11.30 Northern Ireland News Headlines.

England—6.00-6.30 p.m. Look North (from Leeds, Manchester, Newcastle), *Midlands* To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth); 10.10-10.40 North (from Leeds) Summer Interview; North West *(from Manchester) The Time Of* Their Lives; North East (from Newcastle) Look Closer; Midlands (from Birmingham) Countrywide; West (from Bristol) Man At The Top; South West (from Plymouth) Peninsula; South (from Southampton) Keepsakes; East (from Norwich) On Camera.

## BBC 2

7.05 a.m. Open University.
11.00 Play School.
2.25 p.m. Royal National Eisteddfod of Wales.
4.30 Cricket: Second Test. England v Australia.
6.15 Open University.
7.30 Newsday.
7.50 Six From The Sixth.
8.15 The Time-Detectives.
9.00 Tuesday Cinema: "Inspector Clouseau," starring Alan Arkin.
10.35 Cricket: Second Test highlights.
11.05 News Extra.
11.25 Closedown: Lyndon Brook reads "Rembrandt," by Elizabeth Jennings.

## LONDON

10.55 a.m. Animated Classics. 11.40 Galloping Gourmet. 12.05 p.m. Elephant Boy. 12.30 Larry the Lamb. 12.40 Rainbow. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 A Regional Flavour. 2.00 Good Afternoon. 2.30 Gosling's Travels. 3.00 Pathfinders. 3.55 Quick On *The Draw.* 4.25 *The Flintstones.* 4.50 Magpie. 5.20 Shang A Lang.
5.50 News from ITN.
6.00 To-day.
6.40 Crossroads.
7.05 Here We Go Again.
7.35 Tuesday Mystery Movie: Cool Million.
9.00 *A Fall Like Lucifer.*
10.00 News.
10.30 Second Night.
11.30 Oscar Peterson Presents . . . Count Basie, Joe Williams, Al Grey.
12.00 Go and Do Likewise?

All ITV regions as London except at the following times:

## ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 3.00 Randall and Hopkirk (Deceased). 4.25 The Romper Room. *6.00 About Anglia.* 7.00 *Cartoon Time.* 7.15 Thursday Movie: Charlie Chan. 11.30 Reflection.

## ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 3.00 Riptide. 4.25 The Houndcats. 6.00 ATV Today. 7.00 Cartoon Time. *7.15 Tuesday* Mystery Movie: McMillan and Wife. 11.30 Open Day.

## BORDER

†1.25 p.m. Border News. 2.00 Houseparty. 3.00 Boney. 4.25 The Woody Woodpecker Show. 6.00 Border News and Lookaround. 7.00 Betty Boop Cartoon. 7.15 Movie. 11.30 Police *Surgeon.* †12.00 *Border News Summary.*

## CHANNEL

1.25 p.m. Channel Lunchtime News and What's on Where. 3.00 Riptide. 4.25 Wait Till Your Father Gets Home. 6.00 Channel News. 6.10 Adventures of the Seaspray. 7.00 Curtain Raiser. 7.30 Mystery Movie: McCloud. 11.25 Visages de France.

## GRAMPIAN

12.35 p.m. Lunchtime Call. 1.20 Grampian News Headlines. 2.00 Houseparty. 3.0 Randall and Hopkirk (Deceased). 4.25 The Merrie Melodies Show. 6.00 Grampian News. 6.10 Festival! 7.00 Cartoon Time. 7.15 T.V. Movie: McCloud. 11.30 Matter of Concern. 12.00 Evening Prayers.

## GRANADA

10.30 a.m. The Secret Service. 10.50 It's Fun to Read. 11.00 A Place to Live. †11.15 Morning Mystery. †12.00 Chess Masterpieces. 12.15 p.m. The Woody Woodpecker Show. 1.20 What on Earth. 3.00 Boney. 4.25 Wait Till Your Father *Gets Home.* †5.15 *Chucklebeads.* 5.20 Crossroads. 6.00 Granada News. 6.05 Reports Extra. 6.35 Cash and Company. 7.35 *The Tuesday Movie:* "*Rolling Man*," starring Dennis Weaver. 11.30 Pathfinders.

## HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 2.30 Bygones. †3.00 Danger Man. 4.25 The Tomfoolery Show. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.12 Report Wales. 6.35 *Betty Boop.* 6.45 The Protectors. 7.15 The Tuesday Movie: "The Impatient Heart," starring Carrie *Snodgrass.*

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 2.30-3.25 *The Royal* National Eisteddfod of Wales. 3.25-3.55 Bygones. 4.25-4.35 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.20 Y Dydd. 6.20-6.35 Report Wales. 6.35-7.15 Eisteddfod Genedlaethol Bro Dwyfor. 10.30-11.15 Dan Sylw.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

## SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 World Worth Keeping. 3.00 Jason King. 4.25 Zigzag. 5.20 Kiri. 5.25 Crossroads. 6.00 Scottish News. 6.05 Isabel on *Tuesday.* 7.00 Cartoon. 7.10 Tuesday Mystery Movie: McMillan and Wife. 11.30 Late Call.

## SOUTHERN

11.00 a.m. Yoga for Health. 11.20 Australia. 11.45 Wait Till Your Father Gets Home. 12.05 p.m. Skippy. 12.30 Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 Houseparty. †3.00 "He Ran All The Way," starring John Garfield and Shelley Winters. 4.25 The Houndcats. 5.20 Cartoon. 5.25 Crossroads. 6.00 Day by Day. 6.45 Police Surgeon. †7.15 The Tuesday Film: "The Secret Partner," *starring Stewart Granger, Haya Harareet* and Bernard Lee. 11.30 Southern News Extra. 11.40 Oscar Peterson Presents . . . Count Basie.

## TYNE TEES

12.35 p.m. Starting Point. 3.00 Department S. 4.25 Castaway. 5.20 Shang a Lang. 6.00 Today at Six. 7.00 Cartoon Time and Betty Boop. 7.15 McCloud. 11.30 Late News Extra. 11.35 Experiencing God.

## ULSTER

1.20 p.m. Ulster News Headlines. 2.00 Houseparty. 3.00 The Pathfinders. 4.23 Ulster News Headlines. 4.25 The Woody Woodpecker Show. 6.00 Summer Reports. 7.00 Bridget Loves Bernie. 7.30 Tuesday's Film: "Seven Golden Men," starring *Rossana Podesta.*

## WESTWARD

11.25 a.m. Yoga for Health. 11.50 Adventures in Rainbow Country. 12.15 p.m. Skippy. 12.38 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.00 Riptide. 4.25 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 Curtain Raiser. 7.30 Mystery Movie: *McCloud.* 11.25 *Westward Late News.* 11.28 Faith for Life.

## YORKSHIRE

1.20 p.m. Calendar News. 3.00 Jason King. 4.25 Castaway. 6.00 Calendar. 7.00 Sylvester and Tweety. 7.15 McCloud. 11.30 World Snooker.

## RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 Rosko with The Radio 1 Roadshow. *12.30 p.m. Newsbeat.* 12.45 Johnnie Walker, including the new Top 30 discs. 2.02 David Hamilton (S) (also on VHF). *5.00 Newsbeat.* *5.15 Alan Freeman:* Youth Club Call. 7.00-12.33 a.m. As Radio 2.

## RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S), including 6.15 *Pause for Thought.* 7.02 Tony Brandon (S), including 8.27 Racing Bulletin and at 8.45 *Pause for Thought.* 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Three in a Row. 7.30 Sports Desk. 7.32 Sing Something Simple (S). 8.02 The Musical World of Johnny Gregory (S). 9.02 The Impresarios (S). 10.02 Sports Desk. 10.05 Colin Berry (S) with Music Through Midnight, including 12.00 News. 12.31 a.m. News Summary.

## RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture: Beethoven. 8.00 News. 8.05 Morning Concert: Mozart, Dvorak (S). 9.00 News. 9.05 This Week's Composer: Tchaikovsky. 9.55 In Honour of Hans Gal (S). 10.55 Cricket: Second Test, England v. Australia. 1.35 p.m. News. 1.40 The Arts Worldwide. 2.00 Cricket: Second Test (4 from 5.45 p.m.) (2.00 Lunchtime Scoreboard). 16.30 Study on 3. 7.30 Proms: Concert (part 1) Britten, Beethoven (S). 8.25 The Seven Deadly Sins. 8.45 Proms: Concert (part 2), Schubert (S). 9.50 Stereo Workshop (S). 10.20 Schreker and Zemlinsky Songs (S). 11.10 Boccherini (S). 11.25 News.

Radio 3: VHF only 5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

## RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk, 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather and programme news. 8.00 News and more of Today, including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Celebration: Irving Berlin (S). 11.45 John Ebdon finds in the Sound Archives a reflection of his own experiences. 12.00 News. 12.02 p.m. You and Yours. 12.27 I'm Sorry, I Haven't a Clue. 12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 *Listen with Mother.* 3.00 News. 3.05 Rape of the Fair Country. 4.00 News. 4.05 Pick of the Bunch. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Home to Roost. 6.45 The Archers. 7.00 News Desk. 7.30 Proms: Concert (part 1) (as Radio 3) (S). 8.25 *The Seven Deadly Sins (as Radio 3)* 8.45 Proms: Concert (part 2) (as Radio 3) (S). 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at *Bedtime.* 11.00 The Financial World Tonight: Radio 4's International Business Report: Market Trends. 11.15 Today in Parliament. 11.30 News.

## BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 *Downtown.* 11.03 *In Town.* 12.03 p.m. Call In—1. 12.45 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 4.03 *Matter of Fact.* 4.32 Home Run including London News Desk at 5.00, 6.00, 7.00 In Town. 8.00 Lobby. 8.30 All That Jazz. *10.03 Robbie Vincent's Late Night London.* 12.00 As Radio 2 until closedown.

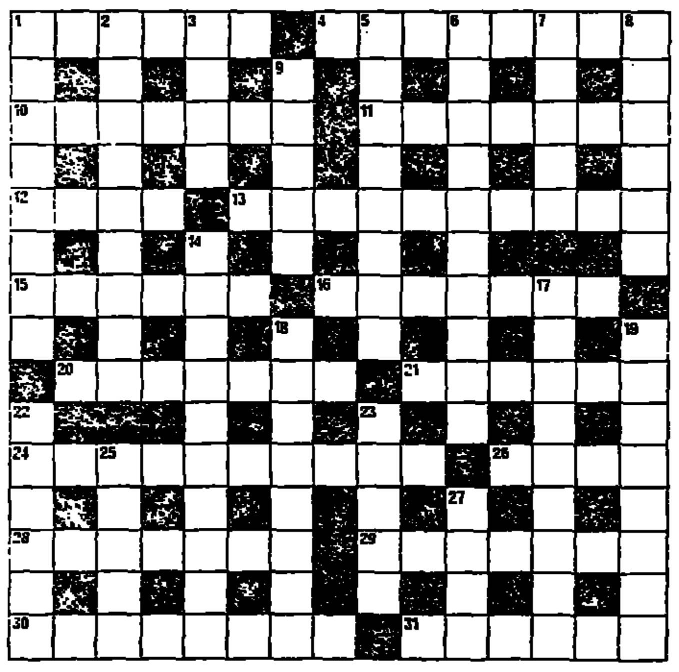
## London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "A.M.": breakfasttime show with interviews, traffic and travel service, plus sport. 10.00 Open Line—London talks to George Gale, with guest Mr. Reg. Prentice. 12.00 Newswatch. 6.00 Newsbreak. 7.30 London Matters. Holiday risks, how to insure against them. 9.00 Love in London. 1.00-5.30 a.m. Nightwatch: news every half-hour.

## Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and Swapshop. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day ...7.30 Open Line. 9.00 Your Mother Wouldn't Like It. Nicky Horne's rock show. 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

## F.T. CROSSWORD PUZZLE No. 2,847



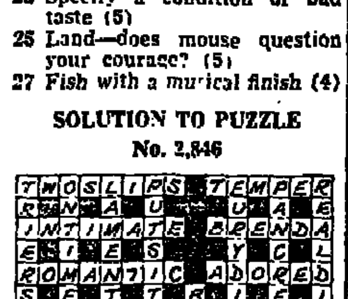
ACROSS

1 Tom looks East for the ancient goddess (6)
4 After dinner request for a permit (8)
10 Dives in Holy Writ (4, 3)
11 Fat can make one weep (7)
12 An accountant gets to the censor (4)
13 *Flatter me about one of the* lakes (10)
15 In this way there is a suggestion of religion (6)
16 "I've seen my —— hope decay" (Moore) (7)
20 Grain that is included in all repasts (7)
21 Seasoned companion goes about the City (6)
24 I'm to and fro with allowances for the settlers (10)
26 Dreamy thinker embraces the false idea (4)
28 Female gets the main point from the Anglo-Saxon leader (7)
29 Double the number before the enclosure (7)
30 It is ominous when the wine runs out (8)
31 Sailor and Scot get together to smooth the way (6)

DOWN

1 Ready, but difficult to change (4, 4)
2 Mark the generalissimo a moment (9)
3 Monument—to a doctor? (4)
5 "—— should be made of sterner stuff" (JC) (8)
6 *Honest transaction in old-fashioned wood* (6, 4)
7 Game for a strange mob to engineer (5)
8 Country talk for one who means business (6)
9 The nose for a tinker (5)
14 *Tiny POW raised on dripping* (10)
17 Two school terms give advice to the racegoer (5, 4)
18 Edited what could be a dead cert (8)
19 Orderly trough in a resident *alien* (8)
22 Double-jointed prelude to cheer (3, 3)
23 Specify a condition of bad taste (5)
25 Land—does mouse question your courage? (5)
27 *Fish with a musical finish* (4)

SOLUTION TO PUZZLE No. 2,846



# Portraits at Montacute

by DENYS SUTTON, Editor of Apollo

M. Gheeraerts the younger: Lady M. Scudamore

Much is talked nowadays about the need to spread artistic activity to the provinces and a number of interesting if not very significant shows are held outside London which certainly afford considerable pleasure in their respective localities. The view that some attempt should be made to form regional art centres — major provincial museums being used for the purpose — and that these should contain "spare" works from London has much to commend it. Anyone who lives in, or spends part of his time in the country hardly needs reminding of the pleasure of visiting a local museum or country house open to the public.

Last week we had the treat of driving over to Montacute. It was one of those legendary summer days when the West Country looks at its dreamiest and when the influence of Wiltshire and Somerset on Gainsborough becomes more than ever apparent. This artist, so sensitive to mood and atmosphere, could hardly have resisted the seductive appeal of the landscape surrounding Bath where he lived for some years. How right were the Hoares to ensure that the garden at Stourhead derived part of its inspiration from the paintings of Gaspard Dughet, that poet of the campagna!

Montacute is a National Trust property and was built by Sir Edward Phelips between 1581, the year of the Armada, and 1601, the year in which Shakespeare wrote *Twelfth Night*. Phelips was a lawyer, who became Speaker of the House of Commons and Master of the Rolls.

The house has a strong appeal and the naïveté of the translation of the Renaissance conventions into vernacular has considerable charm. The architect was in all probability a Somerset mason, William Arnold, who also worked at Cranborne Manor and Wadham College, Oxford. Much of the delight provided by the exterior comes from the use of Ham stone which takes on an additional glitter when lit by sunshine. There lingers about the house a romantic flavour and with it, as with many an Elizabethan poem, classical inspiration and local style have achieved a happy blend.

The garden has a timeless sense and a certain austerity. It was largely remodelled in the mid-nineteenth century. Like many houses, changes have been made to it by successive owners. The stonework on the front of the west porch was brought to the house from Clifton Maybank in the late eighteenth century and Edward Phelips who had this happy idea, added his coat of arms; the result is a feature not without a touch of the fantasy found in the churches of Valladolid.

Montacute has historical associations for Lord Curzon leased the house from 1915 to his death in 1925 and it was decorated for him by the novelist Elinor Glyn during the First World War.

In 1931 the Phelips family sold the house to Ernest Cook who acquired it for the Society for the Protection of Ancient Buildings and he handed it over to the Trust. In those days the house had little of any consequence in it, but since then considerable efforts have been made to make the interior as rewarding as the exterior. Loans of high quality (from Lord Crawford among others) have now made it highly attractive. In 1960 the bequest of Sir Malcolm Stewart enriched the house with splendid works including an enchanting and romantic portrait of Miss Knollys in which the piquancy of her expression is set off by the delicately painted ruff and some notable French Renaissance furniture.

The tapestries at Montacute are notable. The most outstanding is the superb *mille fleurs* panel of a knight, woven at Tournai in about 1480 and which richly evokes the elegance of the Gothic and, like many tapestries of the period, possesses an almost surrealist quality.

What a pleasure to come across the Stoke Edith hangings at Montacute, where they are on loan from the Victoria and Albert Museum. It seems as if they were designed by a professional and then worked by the household at Stoke Edith which, before its destruction by fire, had belonged to the Foley family. Two large panels represent formal gardens and the eye is caught by the Chinese pots and the summary hillscape in the background which bears a curious and quite fortuitous resemblance to a Japanese print.

One of the major features of the house is the Elizabethan gallery which runs the whole length of the building and is the longest one of its type to have survived. In early days such galleries were often used for the performance of music; here the music of Byrd or Orlando Gibbons would have been performed.

It has now been brought to life as an annexe of the National Portrait Gallery. The pictures look very well in the main gallery and in the rooms leading off it, although the artificial light is on the strong side for works which on the whole do not repay too close attention. The paintings are on view for their historical importance, though some also have artistic appeal such as the enchanting portrait of Mary Throckmorton, Lady Scudamore, by Marc Gheeraerts the younger, of about 1615. Yet those that mainly remain in the mind are the portraits of Queen Elizabeth, Drake, Ben Jonson, and many more besides. Such sitters knew about dangers and difficulties. We need their blessing now!

# South Bank Summer Music

by MAX LOPPERT

Issuing from the back foyer of the Festival Hall, the bracing sounds of the Wilbraham Brass Soloists were the novelty greeting entrant concert-goers before the start of Sunday's opening Summer Music concert. Neville Marriner is now the musical mentor and guide, and the schedule (August 3-17) presents his favourite musicians and reflects his tastes quite as much as Previn's did, and Barenboim's before him. One problem, that of promoting new music and thereby depleting audience numbers, is this year being skirted: apart from a goodly helping of Tippett, and the Bennett piece in Tuesday's King's Singers recital, the present part of the 20th century is being celebrated by its absence.

In case that is a parsimonious welcome for an enterprise that, to judge by Sunday's audience, fills a need quite as strong as (and one complementary to) the Proms, let it be recorded that the opening concert, with Mr. Marriner and the Academy of St. Martin's, was a great success. The principal, though not the sole, reason for this was the presence of Janet Baker.

It is still far too early to be writing of Miss Baker's career in terms of graven musical history; nevertheless already it is clear that in her—as in all great singers past, however different their styles and temperaments—music is remade. In each performance something of the singer appears to find, form and realise itself, so that both artist and music are transformed, quite different at the end from what our expectations of both had been. The obvious *tour de force* of Sunday's two appearances was Haydn's cantata *Arianna a Naxos* (in orchestral dress), given with that fusion of searing tenderness and scorching anger almost too dramatic for the concert hall, except for the severely classical sense of phrase that controls and shapes it (what a curse that Gluck is not alive to rewrite and transpose his great soprano parts for her!).

Yet the more remarkable achievement was to have one hear Brahms's Alto Rhapsody with new ears. The centre of Miss Baker's voice has risen too high to do justice to the notes at the bottom of the alto compass (indeed, the Haydn had as its last improvised flourish a cadenza up to soprano top C); all booming, matronly tones of oratorio altos past are banished, along with the icy, wintry sting others have found in the first two minor-key paragraphs. The suffering enactment of the journey was personal, almost graphically vivid; the release into C major gave to the listener the sense of arrival, of wonderful refreshment and tranquillity, that over-frequent hearings of this masterly, tender miniature had seemed to dull and drain.

Mr. Marriner must win some praise for the way the men's chorus floated under the soloist, itself kept in place by an unusually clear exposition of the double bass line. This was compensation for the slight want of solidity in the playing earlier. A more serious want, of rhythmic toughness and alert, argumentative liveliness in inner parts, marred a euphonious but too suave account of Tippett's Concerto for double string orchestra. Bright performances of a concerto for seven trumpets and timpani by Johan Altenburg, and of Vivaldi's Double Trumpet Concerto—in both of which John Wilbraham and Michael Laird were the leading soloists — furnished each half of the concert with a ringingly ceremonial start. Despite its failure to give translations for the Haydn Italian and Brahms German, the 10p price of the programme deserves a salute.

**The Maltings, Snape**

# Socrate

by RONALD CRICHTON

The Maltings at Snape, the nicest concert hall in these islands, is by no means idle outside the few weeks of the Aldeburgh Festival. During this summer there are concerts, recitals, and music study courses under the direction of Peter Pears. On Saturday a performance of rare quality fell neatly between the end of a course on opera production and the opening of one for young professional singers. These lucky ones will have started with the encouraging example of the veteran Swiss tenor Hugues Cuénod (now he is over 70 he describes himself as a baritone) perform a rarely-heard work he is singularly well qualified with his experience and intelligence, to interpret.

Satie's *Socrate* is neglected by comparison with his shorter, humorous pieces with funny or ironic titles. Yet this "symphonic drama in three parts with voices" is central to any evaluation of this composer. It is a setting of three extracts from Victor Cousin's French translation of the dialogues of Plato—one each from the *Symposium*, *Phaedrus*, and the Death of Socrates. Satie scored it for chamber orchestra and four sopranos heard in succession as the various speakers. Since there is no ensemble writing, *Socrate* can be and often is given by a single voice with piano—in any case the autograph is missing and the composer's final wishes are not known. The choice of soprano timbre was presumably intended to distance the music even further from the style of Wagnerian or verismo opera.

Voice or voices pursue a gentle course with regular metres and mostly even syllables, whose lack of strong accents produces an effect of incantation yet enables the words to come over with remarkable clarity. With hindsight one can see that *Socrate* is nearer to other French musical currents, to *Pelléas* and to the vocal writing of the "Hellenistic" Fauré, than may have been obvious at the time it was written —in 1918. The monotony is only apparent. In reality Satie placed the pauses in the vocal line, the modest rallentandos, the changes of figuration in the accompaniment with a skill worthy of the most practised dramatic composer. Yet restraint, simplicity—and Plato—win.

*Socrate* is not long. The informally planned evening started with four piano pieces by Satie, chosen from the *Sarabandes*, *Gnossiennes*, *Nocturnes* and *Gymnopédies* to set the mood for the larger work, played by Roger Vignoles. Then Peter Pears gave a short talk, including readings of Satie's prose, idiosyncratic even in translation. Mr. Cuénod, having bidden us move up to the front rows, added the information that when the Princesse de Polignac, who commissioned the score, sent the composer 1,000 gold francs he replied that the coins "did not fall on deaf ears."

In its outward simplicity concealing a wealth of art, Mr. Cuénod's ageless style is uncommonly well suited to this music. There was some most adroit management of head tones. He allowed himself, without overstepping the boundaries of style, to characterise Socrates (but not the other speakers, least of all Alcibiades) with an occasional half-humorous, half-rueful inflection. The accompaniment of Roger Vignoles was faultless. The audience was small but appreciative. The intimate scale of *Socrate* and a large, full hall would be a contradiction in terms.

**Royal Court**

# A Black and White Entertainment

by MICHAEL COVENEY

So concludes a season of Sunday Night Productions Without Decor at Sloane Square, and the signs are not good. With the closure of the Theatre Upstairs, the new Artistic Directors (Robert Kidd and Nicholas Wright) have limited their options for the main stage; and neither of the two short plays under review give much cause for hope that anything worth while is bubbling away in the black theatrical community. Poor writing, bad acting, simplistic politics, naive conclusions. It is almost too depressing to be worth talking about.

The first play, *Soul Of The Nation*, by Sebastian Clarke, was the more ambitious. A series of black witnesses, suffering at the hands of a ludicrously fascist jailer, troop on to testify in the face of warped British justice their innocence of unspecified charges. Or, rather, not exactly unspecified charges; we are told they are black victims who peddle drugs, sell their bodies, abuse the police and generally live it up along Ladbroke Grove. "This is England, not some cesspool in a disaster area called the Caribbean," whines the Judge before mumbling in his beard about the "disquieting fact" of the British population being 4 per cent. immigrant. The witnesses are shot and dismissed. The Judge dies of a heart attack. It takes a very long time and only Oscar James displays any minimal technique or authority.

More interesting, really, was *Playmate*, by Larry Law and Liz Swain, in which terse, documented voice was given to the fate of Nigerian immigrant David Oluwale at the hands of a couple of hounding Leeds policemen. The case is a famous one and some sort of justice has, since Oluwale's death in 1969, been served on the offending bobbies.

The play is more interesting only because it is more specific; although the imperfect delivery of two white actors, Frank Gatliff and Michael Graham Cox, all but succeeded in scuttling their already shaky vehicle. Nothing they said was contestable or, probably, inaccurate. But they had me squirming with embarrassment as they spoke in knowing, smiling tones. A very poor evening indeed. I trust the English Stage Company have their scouts out.

**Fischer Fine Art**

# Claude Rogers and Leon Kossoff

by WILLIAM PACKER

One of the peculiarities of the English, in their practice of the Arts, is that great reputation as an artist may rest upon a distinguished teaching career. We love the idea of the Master *sublimating his creative gifts* through the medium of his charges. Teaching has its own satisfactions, of course; and it is perfectly true that in music and the visual arts those that can, do, and frequently teach as well. But we must not assume from this that the best teacher is the best artist.

Claude Rogers, a survivor of the Euston Road School and a long career as Professor of Fine Art at Reading University is now showing the paintings he has made over the last five years. They remain at Fischer Fine Art until August 8. Entitled *An Aerial View*, they make a consistent series, their subject the world seen through windows of aeroplanes. A few of these paintings rounded off Rogers' retrospective exhibition at Whitechapel some time ago: brought together they make a solid and interesting corpus, though too much should not be made of them.

The handling and depiction is straight-forward: The near, enclosing structure of the plane, the reassuring wing, and the *flames that should surely not* be shooting out of the exhausts like that; and then the plunge through clouds into deep space, unworldly and pure. And then, coming down to earth, perhaps at night, the disembodied lights and beacons glow out of the blackness.

It is fascinating material, compulsive and seductive. No tourist can resist taking a snap, evidence of an ancient longing, and something of its satisfaction. Rogers manages it with a fluent academic authority, describing it all clearly and convincingly, firm drawing and sound construction: but unfortunately its very literality seems to chase away the excitement and mystery. He rationalises too much. Other, better and more adventurous painters have been there before. We are left with his plausible account of his rejection of horizontal for vertical space, and his conscientious and intelligent illustrations confronting our horizontal gaze.

Downstairs a small exhibition of recent drawings and paintings celebrates the Tate's acquisition of a major work by Leon Kossoff, one of our leading *figurative expressionists*. He works from the figure and from landscape, desperately ladling the pigment on to the canvas in huge gobbets, and scouring and pulling and stretching it to achieve some kind of resolution.

At first the results seem unforgivably ugly, gauche and arbitrary. But then the images appear to melt into the very matter of the paint, leaving us with the stuff itself, rich and curiously engaging, like mud. It clears away our prejudices, setting a fresh context for the images when once more they swim into focus.

They remain difficult paintings to look at, let alone to like; but they repay any effort spent on them, serious and authoritative work by a mature artist.

## 'A Camera at the Ballet'

The photo from Gordon Anthony's *A Camera at the Ballet* illustrated on Saturday shows Robert Helpmann in *Apparitions*.

# Jazz at Camden Lock

Camden Lock, London's open-air setting by the Regent's Canal in Camden Town, is the scene of a series of jazz concerts this summer.

Next Sunday, August 10, sees the appearance of the Harry Klein quartet with Klein leading, on baritone-sax, John Burch (piano), Ron Rubin (bass) and Bobby Orr (drums).

The Tony Lee trio plus Bill LeSage is at Camden Lock on August 17. Lee (piano) will be accompanied by Martin Drew on drums and Tony Archer on bass with LeSage playing vibraphone.

As with next Sunday's concert, starting time is 6.00 p.m. Children are welcome at these events which last about two hours. Admission is 50p, children 10p.

Camden Lock, Chalk Farm Road, London, N.W.1, is five minutes from either Chalk Farm Tube or Camden Town Tube (both Northern Line) and on bus routes—Nos. 24, 31, 68, 715, 718.

# The Greenwood Theatre

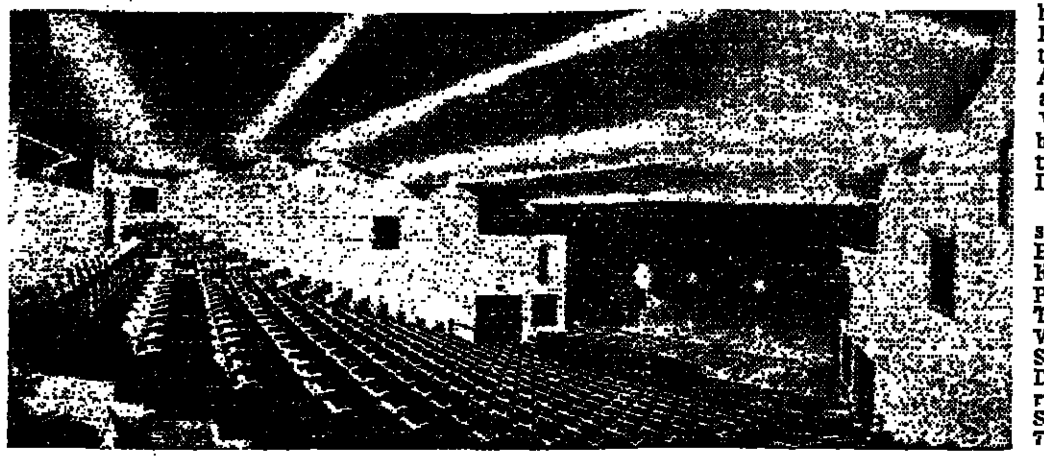
Coming up unexpectedly on the inside, the Greenwood Theatre bursts almost unannounced on to the London entertainment scene. It has been built by the Governors of Guy's Hospital, and was primarily meant as a conference and lecture hall. The theatre is part of a £2m. complex consisting of a residential block, swimming pool and auditorium. It stands at the corner of Weston Street and Snowfields, S.E.1.

Unlike some other houses contained in big blocks, the Greenwood has a 70ft. fly-tower for the suspension and movement of scenery. The auditorium contains about 470 seats in a single rake.

From the beginning of September on, the Greenwood has a continuous schedule of productions. There will be a royal gala matinee on September 2, in the presence of Princess Alexandra; on September 8 a new musical, *Boom!*; on September 22 a one-woman show starring Linda Polan, *Can You Smell Gas?*; on September 29, the Oxford Playhouse Company's production of Arthur Miller's *Death of a Salesman*. There will be productions from time to time by Guy's Hospital's own artistic groups, ranging from chamber music to a Students' Union Concert.

The name of Greenwood commemorates Sir James Greenwood, for many years a governor of Guy's, by whose benefaction the building became possible.

S.A.Y.



## 'Fanshen' at Hampstead

The Joint Stock production of Fanshen, which played to full houses earlier this year at the ICA Terrace Theatre, opens at the Hampstead Theatre Club on August 12. It is a scripted adaptation by David Hare of William Hinton's documentary book on the processes of revolution in a Chinese village called Long Bow 30 years ago.

The cast includes Marty Cruickshank, Paul Freeman, Cecily Hobbs, Paul Kember, Will Knightley, Tony Matthews, Philip McGough, Tony Rohr and Toby Salaman. It is directed by William Gaskill and Max Stafford-Clark, and designed by Di Seymour. The production runs nightly at 8 p.m. until September 13 (August 14 at 7 p.m.).

WORLD TRADE NEWS

# Trinidad in drive for trade with Eastern bloc

By David Renwick

PORT OF SPAIN, August 4.

IN COMMON with other Caribbean Community countries, particularly Guyana, Trinidad and Tobago is making an effort to diversify its trade away from Western sources to Communist bloc countries in an attempt to reduce imported inflation and to find new markets for its traditional exports.

Because of the centrally-directed nature of Communist bloc countries, the Trinidad and Tobago Government feels that certain goods—particularly food items, raw materials and machinery—can be obtained at a relatively cheaper rate than that now offered by Western industrialised countries such as the U.S. and Britain.

One of the key reasons for the recent three overseas tours of Dr. Eric Williams, the Prime Minister, has been to lay the groundwork for new trade connections in Eastern Europe, China and other Communist states.

Two long-term commercial agreements are likely to be concluded within the next four weeks with Soviet Russia and Romania, to both of which Dr. Williams recently paid official visits.

Russia is expected to sell butter and other food items and to buy Trinidad and Tobago cocoa, coffee and citrus.

Romania is interested in selling oil and chemical equipment, agricultural machinery, textiles, drugs, meat, potatoes and powdered milk. Romania will consider buying Trinidad's oil products, garments, sugar, coffee and cocoa.

Trade with China is likely to be activated following the establishment of a Trinidad and Tobago embassy at Peking, headed by a charge d'affaires. Trinidad is already making arrangements to buy food, edible oils, construction materials, surgical instruments, toys and travel goods from China, and to sell natural asphalt, angostura bitters, coffee beans, sugar and cocoa.

Cuba is also involved in the new trading thrust, and the two governments have already exchanged visits by trade ministers.

# Russia and GDR co-ordinate next Five-Year Plans

BY LESLIE COLITT

BERLIN, August 4.

THE FIRST agreement between two Comecon countries to co-ordinate their 1976-80 Five Year Plans has been reached between the Soviet Union and the German Democratic Republic. Other European Communist countries are expected soon to conclude similar agreements with Russia as well as with each other.

The draft of the terms signed by the East German and Soviet heads of planning commissions provides for rising GDR investment in Soviet raw materials extraction and processing. Examples are the laying by the GDR of a natural gas pipeline from the Orenburg field, GDR deliveries of rolling mill equipment for the integrated steelworks at Kursk and investments in the cellulose plant at Ust Ilim.

In a form of compensation deal the Soviet Union will supply an "increased" but unspecified amount of raw materials, oil and natural gas to the GDR.

One Western specialist in Comecon economy says the agreement on co-ordinating plans marks some progress. Comecon countries are no longer merely drawing up annual lists of goods to be exchanged but are adjusting trade to longer-term development trends in their economies.

The GDR and the Soviet Union, in addition, are concluding agreements on industrial specialisation and co-operation in the chemical, agricultural machinery and electronics industries. The two Communist countries, who are each other's largest trading partners, say the proportion of goods in their bilateral trade produced by "specialisation" will rise to 35 per cent. by 1980.

Without any further details, though, the Western expert says no judgment can be made on whether the products are largely traditional such as oil, fishing vessels and cranes under a new label.

Total trade between the GDR and the Soviet Union over the coming five years is to amount to the equivalent of DM96bn. (£17.6bn.), expressed in 1974 Comecon prices. That is said to amount to an average yearly increase in trade of 7 per cent.

Automobiles are among the items the GDR is to receive from the Soviet Union, and 320,000, mainly Zaporzhets and Zhiguli cars, are to be shipped by the end of 1980. The annual delivery rate is lower for this period than over the past two years, when Russia began exporting cars in larger numbers to the GDR.

## IN BRIEF

### Medtainer Line

The Conference of Malta & Alexandria Steamship Companies announce that Medtainer Line has joined the Conference for Lebanon and Syria with effect from August 4. Rate structure for container shipments and conditions have been revised effective for all vessels commencing to load in the U.K. on or after August 4.

### ECGD-Argentina

ECGD is limiting new cover on exports to Argentina to short-term business (up to six months). Existing arrangements remain valid, but no new business requiring cover for more than six months is being accepted in view of the uncertain Argentine economic position.

### Japan's exports

Japanese export letters of credit opened in July were worth $3.55bn. or 10.1 per cent. below July, 1974, and the biggest year-to-year fall since May, 1958, when it was 12.7 per cent. Sagging exports of steel and fertiliser were blamed. Exports of automobile and electric equipment gained 5 and 12 per cent. respectively, but steel, fertiliser and textiles fell 16, 92 and 16 per cent. below 1974.

# Sea Malta to tranship Chinese exports

By Our Own Correspondent

VALLETTA, August 4.

SEA MALTA has been awarded a long term contract by the Chinese National Chartering corporation to handle the transhipment of Chinese exports to southern Mediterranean countries.

The deal will be signed at Peking later this week by Mr. Albert Mizzi, chairman of Sea Malta, who together with Premier Dom Mintoff initiated negotiations early this year while on a visit to China. Sea Malta recently carried out a trial transhipment, taking exports from Shanghai to Libya, Algiers and Spain.

A Sea Malta spokesman said the nuts and bolts of the accord would be finalised at Peking this week. The company, he added intended to develop transhipment from Malta into a major activity, and negotiations with other countries were already underway.

# New American Motors plant

DETROIT, Aug. 4.

AMERICAN MOTORS Corporation has announced that it has acquired a plant from Huffman Manufacturing Company in Richmond, Ind., for the production of four-cylinder engines.

American Motors previously announced an agreement in principle with Volkswagenwerk AG to purchase Audi lightweight four-cylinder engines. AMC said that these engines will eventually be produced by it in the U.S. and built on an engine line purchased in part from Volkswagen.

AP-DJ

### Export Contracts

BRITISH ROPES will make for STC 3,300 nautical miles of Dyform strand, worth around £1.4m., for an undersea telephone cable between the Canary Islands and Venezuela.

B. D. STEEL STRUCTURES, Derby, has its first Middle East order, worth £250,000, obtained at the first attempt, to design and make structural steelwork at the Sea Arm Maintenance Base at Doha, Qatar.

BANGLADESH FOSTERS LINKS WITH CHINA

# Implications of resumption in trade

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

BANGLADESH AND China have resumed direct trading after a gap of four years. The initial contracts were so small that they would ordinarily not merit an individual entry in even the poverly stricken national accounts of Bangladesh, but if the links grow they are likely to have profound and far-reaching implications for the great power game on the Indian sub-continent. They could also provide an important test of the long-professed goodwill of both China and the developed nations of the world towards the very poorest countries.

There is a desperate keenness in Bangladesh to foster trade and diplomatic links with China. News of the signing of contracts at the spring Canton Trade Fair made headline front page news in the local Press. Some officials are already building ambitious hopes around China. Dacca's ambassador to Rangoon, Mr. K. Kaiser, who used to be Islamabad's ambassador in Peking in the old days of United Pakistan, and who is a personal friend of Premier Chou En Lai, has recently been back to Peking to urge the opening of diplomatic ties.

The only problem for Bangladesh is that the Chinese are apparently playing hard to get in spite of some encouraging noises at the time of Canton Fair.

Officials in Dacca explained to me that the initial contracts were more of a symbolic breakthrough than anything else. Bangladesh agreed to buy Chinese light engineering goods, stationery and some cassia (spice). Altogether, the contracts were worth a paltry £2,000.

Afterwards, Bangladesh agreed to buy 20,000 tonnes of cement from China, and Chinese officials hinted that they would be willing to resume purchases of Bangladesh jute. The idea is that trade should be carried on in free foreign exchange and should be more or less kept in balance. Hopes are high in Dacca of buying all sorts of goods from China.

Bangladesh, however, faces one difficult problem before it can shoot off on a Chinese spending spree: where is it going to get the money to pay for the Chinese goods or what can it offer in exchange?

In the old Pakistan days, East Pakistan (the present Bangladesh) exported goods worth $16m. annually to China. Officials say it is too difficult to isolate the value of imports from China in the joint Pakistan trade figures. In to-day's hard up world $16m. would provide a healthy boost to Bangladesh's yawning trade gap. But the world and China have moved on since the days of United Pakistan.

### Jute

China now grows its own jute and is "nearly self-sufficient," according to some experts. China certainly exported bags made of a mixture of jute and kenaf to Tanzania last year. The best Bangladesh can hope for is that China would gain by being able to turn some fields over from jute to rice—or will be prepared to be generous.

Without the jute or Chinese generosity, Bangladesh will have a hard time trying to find free foreign exchange. Last year Bangladesh imports were $1.2bn. against exports of $372m. This year the gap is expected to grow wider.

In the 1975-76 financial year the planning commission secretary, Mr. Syeduzzaman, said he projected imports of $1.5bn. or $1.6bn. and exports of $420m. The gap is covered by aid, mostly from the Western aid consortium under the chairmanship of the World Bank.

On the other side of the account Bangladesh is so lacking in most natural resources that it will need to import more and more goods if economic activity is to pick up. Some officials in Dacca have the bright idea of using some of their untied aid funds to buy Chinese goods. But there is a string of conditions even on untied aid. It can be used for goods from countries with convertible currencies or from selected developing countries among which China does not figure.

Western officials in Dacca think it most unlikely that the much-vaunted concern for economic development of Bangladesh will extend far enough to allow China on the list.

For those reasons the most important factors are political. China has kept its distance from Bangladesh because it has regarded its friendship with Pakistan as paramount. That has afforded China an outlet to the Indian Ocean and Gulf and prevented the Soviet Union from putting "a southern rope" round China's neck.

China's attitude may change with the new situation in India and the dismantling of what Peking delightfully called the "bourgeois democracy." If China sees the Soviet Union getting more closely involved in India, if, for example, Mrs. Gandhi seeks Soviet advice in setting-up a one-party State, Peking might think it to its advantage to assist Dacca.

India would not be pleased nor would the Russians like it. They are still in Bangladesh in some force with Soviet pilots running the Bangladesh helicopters and "doing goodness knows what else," one prominent Bengali told me. But the Soviet influence may be waning.

### Soviet aid

There was a time when the Russians were doing prolonged salvage work in Chittagong port, and one Western diplomat told me "they are there to stop the Chinese putting so much as a rowing boat into the Bay of Bengal."

There are already grumbles about Soviet aid and technology. One Bengali said "it is often second-hand, being pinched from the West, and it is old-fashioned and not suited to our needs."

The West has made and is making sterling efforts to bail out Bangladesh, but Western technology and industrial goods and systems have a long way to go before they can be adapted and provide the complete answer to the problems of such a poor country as Bangladesh. The Middle East has not been prepared to lend the brotherly Muslim hand that many people expected. So China has its chance. The Bangladesh tragedy will be if it gets great power politics rather than help.



AMERICAN NEWS

# Korea likely to top agenda at U.S.-Japanese talks

BY PETER DUMINY

TOKYO, August 4.

KOREA IS LIKELY to be the main subject on which Mr. Takeo Miki and President Ford will find something new to say to each other in their two-day talks at the White House starting to-morrow.

Both Koreas appear certain to be discussed, in each case with reference to a recent Japanese initiative, and with the Japanese Prime Minister probably taking the line that tensions are easing perceptibly in the Korean peninsula.

Korean-Japanese relations remain too sensitive for the Foreign Ministry, and probably even for Mr. Miki, to risk public pronouncements that are too obviously specific. However, the Ministry is openly taking the line that the Far East in general is now "much more relaxed" than in April-May, in the immediate aftermath of the American withdrawal from Indo-China.

Japan's contribution to this state of affairs may be said to have included increased economic assistance to Indonesia and other countries, repairing of the unofficial relationship with Taiwan (symbolised by the restoration of air services later this month) and diplomatic initiatives in North and South Vietnam.

However, the most important, as well as most recent, Japanese moves have been in Korea. South Korea was visited by the Foreign Minister, Mr. Kiichi Miyazawa, on July 23, following which he announced Japan would close the book on the Kim Dae Jung affair (the abduction from a Tokyo hotel to Korea of a leading Opposition politician in 1973) without anything like the overt restitution previously demanded.

That top-level Japanese decision means Japan and South Korea are now in a position to resume their previous close relationship, including full Ministerial meetings (next month) and economic co-operation. There is every reason to expect this will prove welcome to the Americans.

Also last month, Mr. Miki secretly despatched a personal emissary, Mr. Tokuma Utsunomiya, to North Korea. This has paid off in at least two ways, namely that Mr. Miki has calmed domestic critics who were furious at the forgiving attitude adopted towards South Korea, and that he may have something of interest to tell President Ford about the North.

Mr. Utsunomiya has come back after seeing President Kim Il Sung, apparently convinced that Pyongyang intends no military invasion of the South. He also brought messages clearly intended for the White House, including talk of a peace treaty.

All this may not be pure propaganda, as South Koreans predictably claim. However in one respect Mr. Miki's envoy did bring home the bacon. The North Koreans agreed to pay their trade debts, thus eliminating a source of considerable embarrasment to the Japanese.

Previously Japan had virtually withdrawn export credit insurance cover for shipments to North Korea, after claims (payments more than six months in arrears) had reached a reported $10.8m. Cover is now available again, though subject to case-by-case approval.

There is no doubt that suspension of insurance was interfering with Japanese exports to North Korea, which more than doubled to $299m. in the 12 months to the end of March.

# Disclosure of payoffs 'threatens' Lockheed

By Jay Palmer

NEW YORK, August 4.

LOCKHEED'S recent disclosure that it made $22m. worth of "payments" to foreign officials and political organisations may well end up damaging a lot more than its overseas marketing ability and its domestic investment image. It could ultimately threaten the aerospace company's very survival.

Over the weekend, the top-level federal board set up to oversee the U.S. Government's guarantee of commercial bank loans to the company announced that it was looking into the possibility that Lockheed had violated its "contractual obligations" by not telling the board about the payments as and when they occurred.

Although no one is absolutely certain, it is generally assumed that the board could not legally, if it wanted, withdraw its existing backing on outstanding bank loans totalling $200m. to the company.

However, it is clear that the board, which consists of Treasury Secretary William Simon, Federal Reserve Board Chairman Arthur Burns and Securities and Exchange Chairman Ray Garrett, could refuse to guarantee any more of the loans possible on its mandated maximum of $250m.

Ironically, the board, in considering Lockheed's actions, is facing a potentially serious conflict of interest. While on one hand board members are committed to keeping Lockheed financially viable, Mr. Ray Garrett, as Chairman of the SEC, must also take a strong public stand against any lack of essential information disclosure.

# U.S. orders 'will improve'

NEW YORK, August 4.

NEW ORDERS and production in the U.S. will continue to show an improvement in each of the next three quarters, compared with the respective previous quarters, according to the July survey by the National Association of Purchasing Management.

The group, which conducts monthly surveys, said 75 per cent. of the responses expect the economic recovery to continue at a moderately healthy pace, while 25 per cent. think it will be sluggish.

"The business recovery, underway since mid-second quarter, continues at about the same pace as forecast by purchasing managers last May," Mr. E. F. Andrews, chairman of the group's business survey committee, said.

Reuter

# Congressional bid to approve Fed nominees

By Adrian Dicks

WASHINGTON, August 4

A FRESH effort to assert Congressional control over U.S. monetary policy is being made by Senator William Proxmire, Chairman of the Senate Banking Committee, in the form of a Bill that would make nominations to the Federal Reserve Board subject to approval, and would limit the Fed's spending to Congressionally-agreed targets.

Senator Proxmire, who has frequently crossed swords in recent months with Fed chairman, Dr. Arthur Burns, said to-day that his Bill would "bring the Fed into the modern, post-Watergate world of accountability and openness."

Although he did not mention Dr. Burns by name, the Senator made clear the personal focus of his initiative by stressing the need to make the Fed chairman and the Presidents of the 12 regional federal reserve banks subject to confirmation by Congress. In the case of the Chairman's position, Mr. Proxmire said that Senate confirmation would make him "less vulnerable to political pressure.

# Peron returns to crisis

BUENOS AIRES, August 4.

ARGENTINA'S President Isabel Peron, reportedly recovered from influenza and nervous strain, returned to the Casa Rosada Government House to-day for the first time in two weeks.

Mrs. Peron resumed official activities after 14 days of seclusion at the Presidential estate, amid a political crisis over the power vacuum in the Peronist government. Mrs. Peron's eight-man cabinet planned to begin this week's sessions on the national crisis with discussion of the delegation of Presidential powers.

Mrs. Peron came under fire from Congressmen in her own party for backing Sr. Nicosio Sanchez Toranzo as future leader of the Chamber of Deputies. A communique from labour legislators said they would fight her on the issue.

Meanwhile, Argentine businessmen to-night warned that recession was tightening its grip on the country amid "a profound and complex crisis"

The powerful General Economic Confederation (CGE), which groups many of the country's businessmen, said that it would submit an emergency economic plan to the government of President Peron.

Agencies

# New Mexican oil sources

MEXICO CITY, August 4.

TWO NEW oilfields discovered last year at Chiapas and Tabasco, in Southern Mexico, have produced a total of 100m. barrels of crude in the past 12 months.

The report by Pemex, the Mexican Government oil monopoly, said that the new finds have put the agency in the black for the first time in many decades. Proven reserves in the two fields now stand at about 5.7bn. barrels, but other surveys indicate that they may go as high as 20bn. barrels.

AP-DJ

# Staten Island Ferry fare put up to 25 cents

NEW YORK, August 4.

THE FIVE-cent fare on the Staten Island ferry, the last bargain in hard-up New York, went up to 25 cents to-day. The ferry carries 25,000 people a day across New York harbour and the five cent fare was introduced in 1897—when five cents could buy a cup of coffee and a sandwich.

Reuter

GUYANA

# 'Chairman' Burnham's style

BY OUR GEORGETOWN CORRESPONDENT

THE GOVERNMENT of Mr. Forbes Burnham, took another decisive swing leftward recently when Guyana became the first Commonwealth country to adopt the word "comrade" as an alternative form of address to "the Honourable Member . . ." for Parliamentarians during sittings of the House.

The Government argued that "comrade" has now become "a badge of honour" for Guyanese, but the weak two-member right-wing Opposition protested the move and called for a referendum on the grounds that ideological foundation of the word was "totalitarianism" and "Communism" and that this had not been an issue at the 1973 general elections.

The Opposition was way behind. The noticeable trend towards the left has been present for at least four years as the Government has set up its own financial institutions and expanded the public sector through acquiring certain existing businesses and creating new ones, taking the state into mining, trade, retailing, forestry, printing and publication, fishery and small manufacturing, in addition to the essential services. The rationale here is that in the "Co-operative Republic of Guyana" these businesses—operating under the Guyana State Corporation (GUYSTAC) holding company—will eventually be passed on to co-operative societies made up of the workers.

The trend became more pronounced with the widening of the activities of the External Trade Bureau—the state trading agency—beyond the initial business of importing and distributing essential items such as drugs and foodstuffs to handling all imports from the socialist bloc. The two morning newspapers are now owned by the Government, as well as one of the two radio stations the other is owned by the Rediffusion Group.

The pendulum swung further left last December when, on the 10th anniversary of the government, Prime Minister Forbes Burnham announced that his ruling People's National Congress was "paramount" to the Government which it now regarded as merely another of its "executive arms." This argument laid the foundation for an increasingly blurred distinction between the ruling People's National Congress and the Government, emphasised through the creation of a new Ministry officially designated "Office of the General Secretary (of the PNC) and Minister of National Development." The Ministry is headed by Deputy Prime Minister Dr. Ptolemy Reid, who is also the PNC's general secretary and, especially in recent months, one of its most vocal proponents of socialism.

Another factor is Mr. Burnham's publicly proclaimed belief that civil servants were not above party politics and that there was no such thing as "the myth" of civil service neutrality. He has argued that if public servants do not understand the philosophy of the ruling party, which informs the Government, they cannot execute its programmes properly.

Mr. Forbes Burnham: the political father-figure in the style of Mao Tse-Tung.

The education system is also to be radically overhauled to provide not only for free nursery to university schooling, but also to ensure greater relevance of education to practical work, especially through the establishment of school farms à la Cuba.

The Guyana Constitution is to be re-written into "a socialist Constitution," with clear hints that land ownership will receive top priority in order to "socialise" the use of land.

The momentum for all this derives from an important policy statement by Mr. Burnham, who has been heading the Government since December, 1965, on the 10th anniversary of his attaining power. The statement is now officially designated "The Declaration of Sophia" after the place where it was made, and it has become Guyana's "Little Red Book," being required reading for all PNC members and suggested reading for the whole nation. The statement sets out very clearly that Mr. Burnham intends to create a socialist state in Guyana, and since then socialist language has dominated the speeches of all PNC or government speakers, especially "the dictatorship of the proletariat."

There is not much to restrain the leftward swing. The private sector has already been weakened by the expanding public sector and the government's public bias towards co-operatives because of its intention to use them as the instrument to create socialism and "make the small man a real man." The Parliamentary Opposition has no mass support, and the major opposition party, the People's Progressive Party, led by former Marxist Premier Dr. Cheddi Jagan, does not fail to remind Burnham that he is lucky to have a socialist party in the largest opposition group.

Some observers feel that in moving increasingly left Burnham is being pragmatic because of the current winds in developing countries. But others see his efforts as stemming from a genuine socialist ideology which had its roots in his university days in London when he was said to belong to the Communist Party of Great Britain, but kept in check until a propitious moment. The right time has apparently come, and the campaign to "orient" the people from their "traditional selfishness and individualism" to their "socialist obligations" projects Burnham as the political father-figure of the nation in the style of Mao Tse-Tung.

If that is so, then he has laid his plans well. He has taken Guyana into senior positions in all the important international forums, such as the UN Security Council, the UNDP Governing Council, the Non-Aligned Bureau, and the ACP steering committee, thus ensuring that it would be highly embarrassing for a right-wing Brazil or any other neighbour to use force on him.

He has also established diplomatic relations with both East and West, with his foreign policy currently directed particularly towards establishing links with East Europe. Countries which now have resident embassies here include the United States, Britain, Canada, China and the Soviet Union, among others.

What Burnham does have to face, however, is growing concern in some sections of the Caribbean Community and Common Market (Caricom), especially in Jamaica where some right-wing politicians believe that his socialist ideology could spread throughout the region and there is apprehension that he may become a dictator. Burnham himself has acknowledged the growing ideological gap between him and the other Caribbean leaders, but he is content to hope that the innate goodness of socialism, as he sees it, will prevail.

At home, he has the grudging support of the Marxist PPP, especially in the more recent moves towards socialism. Although the PPP from time to time repeats its two-year-old allegation of electoral malpractices by the PNC at the 1973 general elections, the dispute between Jagan and Burnham is increasingly less one of ideology than one of tactics. Jagan ridicules Burnham's "co-operative socialism" while Burnham deems his orthodox Marxism as nothing more than paying homage to a foreign ideology.

Burnham also has to contend with the perennial race issue which is particularly acute in this small nation of 750,000 where the balance of East Indians to Africans is tipped slightly in favour of the East Indians. Although it would seem that in supporting Jagan the Indians are committed to socialism/Marxism, this is far from being true. Their support has traditionally been along racial lines and continues to be so. Even Jagan admits that the race issue compounds the class struggle.

Practically all his detractors see a vast difference between Mr. Burnham's verbal commitment to a multi-party system and what is actually being done, especially in the move towards accentuating the ruling party and de-emphasising the Government.

If he does intend to create a socialist state in the context of a multi-party environment, then it will be interesting to see how he goes about it. Even his staunchest supporters time and again refer to the Allende history in Chile, although the comparison does not quite hold because Burnham's main opposition force is also committed to socialism.

If he can continue to contain the race issue, as he has been doing in the face of subtle and not-so-subtle attempts to create fresh communal violence (the last took place in the early 1960s), then he may very well be on the road to establishing the first socialist state in the Anglophone Caribbean, and in doing so gain yet another point over his implacable political rival Jagan.

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# OVERSEAS NEWS

## Syria and Jordan 'establish joint military command'

BY IHSAN HIJAZI — BEIRUT, August 4.

ACCORDING to a report published in the Press here to-day, Syria and Jordan have established a military union with a joint command that will have its headquarters in Amman and enable Syrian troops to be stationed along the Jordanian front lines with Israel.

The Leftist daily, As Safir, quoted diplomatic sources as saying the two countries deliberately omitted to mention the alleged military accord in the joint statement issued at the end of the visit to Jordan last week by Syrian Premier Mohammed al Ayoubi. The statement put the main emphasis on economic co-operation between the two States.

It was also agreed, the paper claimed to have learned, that Syria would arrange for a meeting between King Hussein and commando leader Yassir Arafat and pave the way for supply of Soviet ground-to-air Sam missiles to Jordan if the U.S. withhold the promised Hawk missiles under Congressional pressure.

There has been no official confirmation of the news but both Damascus and Amman have lately been emphasising co-ordination between them in military and other fields.

Meanwhile, another guerilla organisation—the PFLP-General command—has suspended its membership in the executive committee of the Palestine liberation organisation in protest against the "rights elements" in the leadership of the PLO.

Louis Fares reports from Damascus: The PLO's official spokesman, Abdul-Mohsen Abu-Maizan said that Jordan would have to allow the return of both a political and military commando presence in the Hashemite Kingdom before relations can be restored. The PLO leader explained that the conflict between his organisation and Jordan is "a conflict between regimes and not people."

Abu-Maizar is optimistic that the proposed quadripartite meeting between Syria, Jordan, Egypt and the PLO will bring a reversal in Jordan's five-year policy forbidding commando activity from within Jordanian territory.

## ANC President invited to London for top-level talks

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BISHOP ABEL MUZOREWA, President of the African National Council of Rhodesia, is due in London later this week for talks with the British Government. He is expected to meet the Foreign Secretary Mr. James Callaghan, as well as the Minister of State for Foreign Affairs, Mr. David Ennals.

Bishop Muzorewa, who has been in the Zambian capital for the past three weeks, has been invited to London by Mr. Ennals to discuss current attempts to get talks going between the African Nationalists and Mr. Smith, the Rhodesian Premier.

Since the end of June, when Mr. Ennals personally visited Rhodesia and South Africa, there has been virtually no progress on British plans to call a constitutional conference on Rhodesia. Informed sources in Whitehall say that, while the invitation to Bishop Muzorewa does not represent any new stage in a British initiative on Rhodesia, British Ministers feel that they need to be brought up to date on current nationalist thinking.

In particular, there have been no first hand reports either of the special meeting of the nationalists with the Presidents of Tanzania, Zambia and Mozambique in Dar es Salaam last month, or of the subsequent visits made by Bishop Muzorewa and his colleagues, Mr. Nkomo and Mr. Sithole to military camps in Tanzania and Mozambique.

There is little optimism in Whitehall about the chances of all the parties involved agreeing on a constitutional conference being held at all, let alone that such a conference might produce a negotiated settlement to the Rhodesian problem. But British Ministers—and in this they are at one with the Presidents of Tanzania and Zambia—are concerned to explore every possible avenue for reaching a peaceful settlement. As for the nationalists, they have made it perfectly plain that they intend to step up guerilla activities against Mr. Smith unless he agrees to a conference within the next two months.

Tony Hawkins in Salisbury adds: Four African curfew breakers—two of whom were on their way to join guerilla groups based in Zambia—have been shot dead by the Rhodesian security forces.

## 7,750 held in Iran price purge

By Robert Graham

TEHRAN, August 4

IN A tough campaign against prices over 7,750 persons have been detained and questioned over the past two weeks on various charges of hoarding and price rigging. Those arrested include six local "millionaires."

The wave of arrests has led to over 100 persons being jailed and as many as 1,000 shops being closed throughout the country. The most prominent figure so far affected has been the Mayor of Isfahan, Mr. Mohammed Mani, who has been jailed for 18 months. Mr. Mani was found guilty of ordering bricks from a brick factory, which he jointly owned, to sell at other than government reduced prices.

On July 14 the Shah warned that should prices fail to come down within one month, the armed forces would be asked to intervene with special military courts to try offenders. Since then an "iron fist" campaign against prices has quickly gathered momentum.

The basic problem is that with a rapidly expanding economy demand is still outstripping supply.

Peter Duminy, in Tokyo, on the Red Army

## Global terrorists

JAPAN'S Red Army is heavily committed to causing the Japanese establishment the greatest possible loss of face—an objective in which it has once again succeeded by staging the hold-up of an American diplomat in Kuala Lumpur to coincide with the Japanese Prime Minister's presence in Washington. The group's bloodier activities tend to be incidental to this objective, which explains why some of the earlier atrocities bore no apparent relation to Japanese political objectives.

The Red Army moved offshore after nearly destroying itself in a faction fight (14 were gunned down) early in 1972. It resurfaced almost immediately in the Lod Airport massacre in Israel, and has since then been involved in at least four terrorist plots. The first was the hijacking of a Japanese commercial aircraft in Europe in July, 1973, again in association with the Popular Front for the Liberation of Palestine (PLFP).

In January last year two gunmen tried to blow up oil installations in Singapore and were flown to safety after another group took over the Japanese Embassy in Kuwait. In September the French Ambassador to The Hague was held hostage until bartered for a member of the Red Army imprisoned in Paris. Finally, in March this year, two Red Army men were arrested while taking photographs of an embassy building in Stockholm.

A number of statements have been issued on behalf of the terrorists by Fusako Shigenobu, one of the six Red Army activists known to be overseas and wanted by the police. This 29-year-old woman told the daily newspaper Yomiuri in May that the group was planning new acts of voilence, without specifying details.

She said the group approved last year's bombings of city centre buildings in Tokyo, which may explain why one of the demands now being made is for the release of Norio Sasaki, one of those now awaiting trial for murder as a result of the explosions.

The other six whose release has been demanded are all known Red Army men. Two have been imprisoned since 1971 bank robberies. Another pair, Kunio Bando and Hiroshi Sakaguchi, are survivors of the 1972 shoot-out. The other two, In Nishikawa and Kazuo Tohira, were the men caught in Stockholm.

## Angola whites demo

LUANDA August 4.

THOUSANDS of Portuguese settlers demonstrated in the Angolan capital to-day demanding a speed-up in the airlift which will evacuate up to 300,000 whites to Lisbon before the African territory achieves independence in November.

The airlift was announced on Saturday by Lt.-Col. Antonio Rubeiro, secretary to the Portuguese High Commissioner. He said that up to 90,000 people a month—or 3,000 per day—would be flown out of the colony.

The exodus was ordered because of continuing fighting between the two biggest Angolan freedom movements—the Zaire-based National Front for the Liberation of Angola (FNLA) and the Popular Movement for the Liberation of Angola (MPLA)—which has already left 3,000 dead.

Reuter

John Stewart in Capetown adds: South Africans in Namibia are preparing to receive at least 2,000 refugees this week.

Commissioner-General Jannie de Wet said at Oshakati to-day a transit camp would have to be erected to accommodate the 600 people who reached the border last week and the 400 who arrived during the week-end.

Mr. de Wet said latest checks on refugee flows from the north showed that about 1,000 people on their way between Sa Da Bandeira and the Namibian border.

THE OAU SUMMIT

## After the carnival

BY JOHN WORRALL, RECENTLY IN KAMPALA

THE ORGANISATION of African Unity, whose 12th Summit ended in Kampala this week-end under President Amin's chairmanship, is in a sorry state of disarray. The bright dreams of a few years ago seem to have been dispelled. Africans were pitted against Africans, Africans against Arabs, and even Arabs against Arabs. News of the military coup in Nigeria shattered the leaders on the first day. Anti-Amin bombs exploded round Kampala on one night, giving the delegates a severe attack of nerves.

The omens for a successful meeting in Uganda were not good to start with, but in the end a kind of paralysis seemed to descend, and every real issue was dodged.

The only firm decision was taken on southern Africa, for despite familiar fiery threats against South Africa and Rhodesia, the summit merely confirmed last April's "Dar es Salaam Declaration," which first seeks a peaceful solution to the Rhodesian issue by continued contacts with Pretoria and Salisbury through the African National Council of Rhodesia. But the absence of Bishop Muzorewa, Joshua Nkomo and the Rev. Sithole from the summit—as nationalist leaders they are fully recognised by the OAU—was not explained.

### Haunted by the empty seats

President Amin, who wanted a more militant approach to South Africa, was angry and resentful at the turn of events. The summit was haunted throughout by the empty seats of Presidents Nyerere, Kaunda and Seretse Khama, who pushed their boycott, mainly directed against Idi Amin as chairman, to the end. Their absence may have accounted for that of the Rhodesian Nationalists, who are working closely with the three presidents and Mozambique's Samora Machel, also absent.

President Amin's accusations against Tanzania, Zambia and Botswana of being "spies" for South Africa and Rhodesia created embarrassment all round, although not all leaders present shared President Nyerere's hostility to Amin. The Tanzanian President had publicly lashed the OAU for "hypocrisy" in gathering at Kampala at all, castigating Amin for being "as oppressive and dictatorial as the White rulers of southern Africa." Many leaders criticised Nyerere for not coming to the OAU and facing Africa publicly with his challenge.

As if inter-African divisions on this issue were not enough there was some ferocious in-fighting between African and Arab states, and even between Arab states themselves, over Israel. A powerful motion brought by the Arabs, led by Libya and Algeria, to urge the United Nations to "expel" Israel became one to "suspend" Israel, and was finally watered down to "the possibility of eventually depriving it of membership," if Israel did not obey UN resolutions.

An eight-hour debate clearly showed that many black African leaders were not interested in being manipulated on an issue which they feel is not of prime concern. The Africans are bitterly resentful at the niggardly Arab aid contributions to ease the effects of the high price of Arab oil, particularly since black Africa gave unanimous support to the Arab cause during the Middle East war.

Neither the colourful Yassir Arafat nor Colonel Khedaffi of Libya shifted the views of the moderate black Africans, led by Zaire's President Mobutu. In addition, Col. Khedaffi had a bitter row with the Egyptian delegate (President Sadat having flown home), who favoured the milder resolution. Khedaffi was reported by Egyptian sources as calling the Egyptians "bastards" and at another stage accused the OAU of "being under American influence."

The summit's decision on Angola was little more than face-saving. Of the three Liberation leaders only Jonas Sarimbsi turned up. The summit contented itself with calling for an OAU Angolan conciliation commission and asked Portugal to end the bloodshed: nobody suggested how. The OAU has thus been seen to fail in tackling what is probably Africa's most urgent issue, in which African states such as Zaire are already overtly taking sides.

There were rows over the phosphate-rich Sahara, with Mauretania and Morocco in favour of partition and Algeria supporting the Spanish colony's independence and territorial integrity. Deferred for further study was the question of French Djibouti, the future of which is the subject of bitter rivalry between Somalia and Ethiopia. A proposal to put an OAU office in Somalia to channel aid to the liberation group in the French enclave was contested by several states and was shelved.

The most obvious source of the summit's paralysis was the coup against General Gowon, announced while the former Nigerian leader was quietly attending the opening session. This sent five presidents dashing home to make sure of their own positions—one of whom, President Seyni Kountche of Niger, was said later to have arrived back just in time to scotch a plot against him.

Several bomb explosions shook Kampala during the summit, set off by a body calling itself the Ugandan Liberation Movement, which had been distributing underground pamphlets attacking Idi Amin.

One shook the area round the Kampala water reservoirs, another slightly damaged the City Hall. President Amin tried hard to make the best of a bad job, for it was apparent that the summit, by which he had set great store to restore his African image, had become a giant flop. Those presidents who had gamely stayed to the end were treated to his mock bombing of "Cape Town" and the defeat of the "South African" forces by the "Black armies."

Some were invited to his new wedding which had taken place just before this event.

But when the delegates, officials and the diplomats, the Liberation leaders and the observers flew for home this week-end, few could have been inspired by the OAU's performance.

### South African dialogue shelved

The awkward question of South African dialogue was shelved and no leader was censured for entering into trade relations with South Africa. As one African delegate said: "Vorster can sleep safely for another year." The Arabs managed to achieve a consideration of the proposed "declaration of Afro-Arab co-operation" in financial technical and scientific fields, but even this was referred back to governments for consideration. A proposal to mount an Afro-Arab summit to iron out differences was accepted.

The summit hardly had time or possibly inclination to discuss Africa's urgent economic problems, and though proposals did come up for improving communications between African states, none seemed to warrant notice at the irregular Press briefings. It was not a summit to inspire optimism in the organisation's future, especially since it is now faced with a whole year of Idi Amin's chairmanship.

No doubt the OAU will survive—it got over the Nigerian civil war, and was in a sense born out of the Congo crisis. But this is certainly its biggest test yet.

EUROPEAN NEWS

# Ford and Tito both satisfied with talks

By Alexsander Lebl

BELGRADE, August 4.

U.S. PRESIDENT Gerald Ford ended his 24-hour visit to Belgrade this afternoon and left for Washington, expressing his satisfaction with the conversations he held with Yugoslav President Tito. The Yugoslavs also are satisfied with the visit became it showed, as President Ford put it in his toast last night, that "American interest in Yugoslavia's continued independence, integrity and well-being, expressed often in the past, remains undiminished." They are also pleased with the President's pledge to give personal attention to developing economic and military relations between the two countries.

President Tito said in his statement at the end of official talks that the visit will be very beneficial for future Yugoslav-U.S. relations.

*There has been satisfaction* as well about the discussions of international problems. It seems that the American side achieved one of its aims, to win Yugoslav support for moderation in dealing with international problems, like the *Middle East*, and for economic issues on the agenda of the next U.N. General Assembly.

The pledge to increase military co-operation revives the possibility of U.S. arms sales to Yugoslavia. These have been on the cards for some time, but there had been speculation recently that negotiations were off.

● The Yugoslav *Government* has launched a price roll-back campaign to stem inflation which has assumed alarming proportions with prices rising 30 per cent. a year. As a first step excise duty on furniture, refrigerators and some other goods were reduced by up to 6 per cent. and the benefit passed on to consumers.

There will be a revision of all price *increases so far this year*, including in the utilities sector, to bring them in line with the projections of economic policy for 1975.

All those who raise their revenue by taxing companies and other economic organisations — *social security, health care*, schools, etc. — have been required either to lower demand or to *stop taking money if they* have already taken more than foreseen.

U.S. President Ford (left) and Yugoslav President Tito at their Press conference in Belgrade yesterday.

# Polish Press warms to the U.S.

BY LESLIE COLITT

BERLIN, August 4.

LAST WEEK'S visit to Poland by U.S. President Gerald Ford has evoked one of the most pro-*American commentaries in* recent memory to appear in a publication of an East European ally of the Soviet Union.

The mass circulation Warsaw *newspaper Zycie Warszawy* writes that "since the end of the last war America is a country *we look to filled with hope*."

The newspaper's writer on U.S. affairs, Mr. Adam W. Wysocki, says that for young Poles "America is either the fatherland of the Apollo crew or that of Walt Disney." For his father's generation he calls it the "land *of Wilson and his 13 points*, the second home of Paderewski." *Reminders of close historical* contacts between Americans and Poles are not uncommon in the Polish media but seldom have they reached the warmth of the latest Polish article.

After recalling the alliance between Poland and the "father*land of Roosevelt and those* smiling soldiers in green helmets and cowboy scarves," the newspaper describes the effects of the Cold War on Polish-American relations.

"Even in the worst years of this strange war, the mutual sympathies between our peoples did not fade. This is a fact which not even the most *fanatical supporters of the* 'Cold War' on both sides of the ocean could deny."

The author notes that the most *important element in the near* future will be a "sincere partnership" between the Americans and Poles. He comments on a growing recognition in the U.S. that Poland "played and will continue to play a not unimportant role in developing and securing detente."

The enthusiasm of the article and others that have appeared in the Polish media during the past days appears to confirm the theory of some American diplomats that their country is most popular where their political in*fluence is the least*.

# Hungary raises prices of timber, petrol

BY PAUL LENDVAI

VIENNA, August 4

IN A BID to counter the effects of imported inflation and to reduce the *growing* burden of budgetary subsidies, the Hungarian Government has decided *to increase petrol and timber* prices. As of to-day all grades of petrol cost on the average 20 per cent. more. At the same time the prices for a wide range of building materials, mainly of timber, go up on average by 20 to 49 per cent.

*This is the second time within* a year that petrol prices have been revised upwards. On *September 1, 1974 petrol and* heating oil prices went up by 40 per cent. As of January this year prices for a number of consumer goods, including household appliances were also increased.

The latest price rise primarily hits the medium and higher income groups. *Nevertheless the* chairman of the Price Office claimed in an interview yesterday that the latest increases will raise the overall consumer price index only by 0.2 per cent. and that the price level this year will be up by only 3.6 per cent. *as projected in this year's plan.*

Meanwhile the growing external payments difficulties also affect *the Press. As of* August 1 the size of the three Budapest national dailies, including the Central Party paper, will be reduced by eight pages to a weekly total of only 76 pages each, while a fourth daily, Magyar Hirlap, will no longer be *published on Mondays. It is* claimed that the reductions will save the country "many thousands of tons of newsprint." Despite a slight improvement, Hungary's balance of trade with the convertible currency areas showed a deficit during January-June this year. While *imports* jumped during the recorded period by 16 per cent. compared with the first half of *1974*. exports were lower than during the same period last year.

# Soviets seek at least $1bn. in loans from West

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE SOVIET UNION has made several approaches to the West for a loan of up to $1bn. in recent *months* and may be negotiating other loans too, according to Western banking and diplomatic sources. The money is needed to finance giant projects scheduled under the next Five Year Plan beginning next year.

So far, at least four approaches have been noted, two to American banks and two to Japan. But the Russians have been making known their general interest in more money to a *number of western bankers* since the beginning of the year, confirming that despite windfall profits from oil and gold sales, they still need huge sources of foreign finance.

The Russian approaches are believed to be under consider*ation in the West, though one of* them, for an untied credit at low interest rates from Japan's Export-Import Bank is reported to have been turned down flat. Japan has already advanced *Moscow over $1bn. at subsidised* rates for Siberian energy projects.

The fact that the Russians have approached foreign banks shows they are prepared to borrow this sum at commercial rates on the capital markets, instead of trying to get it through *Government* credits. However, they are certain to break it up into smaller portions, and it seems likely that they will raise it not in their own name but through a Comecon bank, the International Investment Bank, which handles finance for major East European *projects involving more than one* country.

This also means that the loan will be free from political curbs should public opinion come out against advancing such a large amount of money to the Soviet Union. As the U.S. experience *has shown, Congress was able to* pass legislation restricting the amount of money the Eximbank could advance the Russians.

The project for which the money has been earmarked is the Orenburg gas pipeline, the largest Comecon project in the next Five Year Plan. The 1,700-mile pipe will convey gas from the Urals to Russia's allies in *East Europe. Work is due to* begin later this year, and the first gas will flow in 1978, and full throughput of 15.5bn. cubic metres a year will be achieved in 1980.

Although the work is being undertaken by a Soviet general *contractor, Soyuzintergaprom*, six other Comecon countries are participating, which is why the money may be raised by the Comecon bank.

Pipes for the project have already been ordered from West Germany, and compressor stations may be purchased in the U.S. Without western technology, observers maintain, the *project would be impossible.*

If the Russians succeed in raising a $1bn. loan, it will be the largest of its kind ever put together by a Comecon country. Although the Comecon banks have been raising loans for some years, it was only this year *that a Russian bank, the Foreign* Trade Bank, came on to the market for a syndicated loan. *In quick succession* it borrowed $100m. and $250m. and many bankers speculated at the time that the Russians would be back for more and bigger loans.

*Soviet* creditworthiness being excellent, the Russians should not have much trouble raising $1bn. But bankers may demand that the Russians stop trying to *force interest rates down to rock* bottom, and that they give some more details about what the money is being borrowed for. The last Soviet loan, raised in July, *carried the lowest possible* rate in present conditions and was not tied to any specific project.



## ENI GETS NEW PRESIDENT

MILAN, August 4.

SIG. PIETRO SETTE, a 60-year-old lawyer and fiscal adviser, was formally *appointed* by the Government to-day as President at ENI, the big state hydrocarbons group. Sig. Sette succeeds Sig. Raffaele Girotti, who resigned.

ENI employs about 100,000 workers and operates chiefly in the petrochemical field, with interests in 200 companies in Italy and abroad. The company posted overall sales of L.4,700bn. in 1974,

AP-DJ

# End of the road for the Italian minicar

*By Anthony Robinson*

ROME, August 4.

AN ERA has come to an end at Fiat following the final shutdown of the last Fiat 500 "Cinquecento" assembly lines at the Termini Immerese plant in Sicily. This was the last small assembly operation of what was once a massive production operation in Turin *and elsewhere*.

More than 4m. of these *tiny*, bug-like cars have been produced in various forms since it was introduced in 1957 as an updated version of the famous Maggio*lino*. The *Cinquecento* was the car which replaced the scooter as the average Italian's dream of motorisation and the *model* which more than any other symbolised Italy's industrial growth and the dawn of post-war prosperity.

It *was the archetypal minicar* but that never stopped the Italians packing the whole family, grandma and kids and all, into the tiny insect to zoom off to the sea or mountains, with luggage piled up carefully but precariously on the roof.

It went virtually everywhere and cost virtually nothing to run. As little as five years ago the Cinquecento cost a little over £350 to buy. At the end, *inflation had brought it closer* to £800.

Minicars, however, as Henry Ford II once said, mean mini-profits and the Cinquecento, which contributed so massively *to building up Fiat's market* penetration, has been gradually upstaged by slightly larger and more *powerful models. Its place* has been taken by the Fiat 126 which now takes over as the baby of the Fiat family.

# Danish PM will visit Portugal

By Hilary Barnes

COPENHAGEN, August 4.

DANISH Prime Minister Anker Joergensen is to visit Portugal on August 10-11, he announced following yesterday's meeting in Stockholm of leaders of European Social Democratic parties. *The Prime Minister said* that he was going at the invitation of Portuguese Socialist leader Mario Soares. He said that he would be giving his moral support to the Portuguese Social Democrats but emphasised that he did not intend to *interfere in Portugal's domestic* affairs.

# Cyprus talks reached 'key federation understanding'

BY METIN MUNIR

ANKARA, August 4.

*AN UNDERSTANDING* which may be crucial in reaching a *solution to the Cyprus question* came about in the latest round of the Vienna talks between Turkish/Cypriot leader Rauf Denktash and Greek/Cypriot negotiator Glafcos Clerides, an authoritative source said here to-day.

It relates to the two biggest *obstacles encountered to date*—Turkish constitutional demands for the establishment of a two-zone federation with a weak central Government, and a Greek demand for the redrawing of the Attila Line in their favour.

According to the source, close to the Cyprus negotiations, Mr. Clerides told Mr. Denktash that he would meet the Turkish constitutional demand if the Turks reduced the territory they hold *from 40 to 25* per cent. Mr. Denktash insisted on 35 per cent., saying that Turkish Cypriots, who constitute *20 per cent. of the* island's population, owned this amount of land. The two men agreed to take up the subject in *their next round* of talks in New York on September 8.

Before that they will meet for a week in Nicosia from September 1-6 to discuss their draft pro*posals. Both sides will submit* maps with their version of the proposed new boundaries for their zone. Also, the source said, they will exchange views on the *authority for the future central* government and, at Mr. Denktash's suggestion, an interim government with equal participation by the two communities.

There *will naturally be a long* period of bargaining, the source said. But he called the agreement "very positive, and a big step towards the solution of the *Cyprus problem." He pointed* out that the Greeks, who had been insisting on a federation with a strong central government, had acceded to the Turkish view. At the same time the territorial bargain margin had been reduced to 10 per cent.

*UPI reports: Military* rule imposed on Turkey's four largest cities hours before the Turks invaded Cyprus in July 1974 will end at midnight to-night, a Government spokesman said.

Martial law was imposed on 11 of Turkey's 67 provinces when Turkish troops landed on *Cyprus*. It was gradually lifted in seven provinces, but remained in force in the provinces containing the cities of Ankara, Istanbul, Izmir, and Adana.

Our Nicosia Correspondent writes: Mr. Clerides to-night rejected criticism from the Greek Cypriot Press that the way he *handled the negotiations* was contrary to the policy line given him by President Makarios.

He told reporters here that he had *acted* in accordance with *instructions* handed him by Archbishop Makarios as these had been formulated by the *Cabinet. He said the* Greek Government considered the agreement reached in Vienna as "very satisfactory."

Mr. Clerides indicated there would be "real negotiations" in New York next month since all procedural difficulties had now been *overcome*.

# Comoros to 'keep French links'

BY ROBERT MAUTHNER

PARIS, August 4.

THE OPPOSITION group which yesterday overthrew the Comoro Islands Government led by President Ahmed Abdullah has declared its intention to retain close links with France after the archipelago, situated in the *Indian Ocean between Madagascar* and Mozambique, has become independent.

The islands are now controlled by a triumvirate, headed by Prince Said Mohammed Jaffar. It has appealed to all political groups to form a directorate, the first task of which will be to draw up a new constitution.

The spokesman for the new *regime*, M. Ali Soilih, who led yesterday's coup, to-day accused M. Abdullah of wanting to lead the Comoros towards a complete break with France. It was M. Abdullah who last month issued a unilateral declaration of independence to pre-empt a constitutional procedure which would have allowed one of the islands, Mayotte, to retain its *links with France*.

M. Abdullah was visiting another island when Mr. Soilih and a group of about 50 armed supporters seized control of Moroni, the capital, in a bloodless coup.

Prince Said Mohammed Jaffar is one of the best known political figures in the Comoros and a former President of the local *Government*. He represented the islands in the French Senate until UDI was declared on July 6.

French official reaction to the coup has been, to say the least, laconic. In Paris, the State Secretary for French Overseas Territories, M. Olivier Stirn, said *that the coup was an internal* Comoro Islands affair.

He added that the French Government, which accepted the island's independence following a referendum last December at *which over 90 per cent. of the* population voted in favour of such a solution, was not opposed to the unity of the archipelago provided that this was accepted by all four islands. It is clear, however, that France would like Mayotte to be allowed to decide *on its own future*.

# Swiss and W. Germans buy Krugerrands

BY CHRISTOPHER HILL

WORLDWIDE krugerrand sales rose sharply in July to 423,800 coins, compared with 284,050 in June, according to the International Gold Corporation manager. Don McKay-Coghill, from *Johannesburg yesterday*.

The renewed demand was principally from Switzerland and West Germany. Orders picked up before the U.S. gold auction of June 30, but the success of the auction led to a further upturn in sales to these countries plus a slight increase to the U.S. The Swiss were big buyers of bullion at the U.S. gold auction.

So the IGC believes that krugerrand sales for the whole of 1975 will be very close to 5m. coins (3.2m. in 1974) since sales in the first seven months of *3,253,675 coins already exceed* 1974's total figure. But sales for August are unlikely to be as high as those for July, though they are exceeding expectations.

There is a small but steady non-resident demand in the U.K. but domestic buyers are subject to the restrictions on new coin imports.

# EUROPEAN NEWS

THE WEST GERMAN ECONOMY

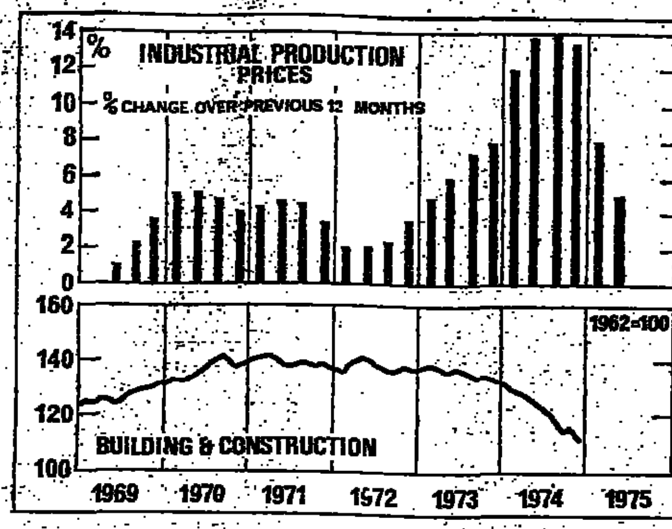
# In need of healthier world markets

BY NICHOLAS COLCHESTER, IN BONN

THE MOST disturbing aspect of the July report from the Ifo institute is not German industry's continued pessimism about the future but its assertion that even a swing to optimism will not alter Germany's record level of unemployment for a long time. The institute's economists now reckon that between 1.4m. and 1.5m. people, or about 6 per cent. of the workforce, will be jobless in the early part of 1976. If next year's average unemployment figure is to drop below the 1.1m. expected for this year, the German Gross National Product will have to grow by between 4 and 5 per cent. in real terms.

So far the German recession, which set in at the beginning of 1973 and which was soon augmented and extended by recession across the industrialised world, has cost 1.3m. jobs. Industry alone has reduced its workforce by 700,000 or 8.5 per cent., while the overblown building industry has shed 370,000 workers or 25 per cent. of its labour force. The figures would be worse still were it not for the 800,000 workers in industry who are on "short time"—that is, who are employed but not working with their income paid out of social security.

This cushion of idle but employed workers will insulate the job market from any improvement in the economy just as it has muffled the full impact of the recession. Ifo's sums for a state of unchanged unemployment in 1976 assume a 1 per cent. fall in the German workforce (through foreign workers going home and natural German fluctuation), a 0.5 per cent. increase in working hours per day, a 1 per cent. increase in the number of working days (a quirk of next year's holiday calendar), and a 4 per cent. increase in productivity.




The result is a needed increase in output of 4.5 per cent.

That is how fast German industry will have to run for the job market to stand still. It is inconceivable that such growth can be achieved without an upturn in world trade. German exports last year accounted for 30 per cent. of Gross National Product. It is almost exclusively because West Germany's exports fell by 13 per cent. in the first half of this year that the country faces a reduction in GNP estimated at 3 per cent. The loss of export orders is more than any internal programme of economic stimulus can compensate for.

Hence Chancellor Schmidt's enthusiasm for the concerted international action which he agreed last week-end with President Giscard d'Estaing of France and pressed on President Ford of the U.S. Hence too his pleasure at hearing that the U.S. economy, with its massive influence on the mood of world business, was on the mend.

Ifo's monthly poll of West German companies in the manufacturing sector found a slight improvement in the assessment of future exports. From the makers of capital equipment came reports of a noticeable increase of domestic orders in June because the government's investment subsidy expired at the end of that month. These were the two pieces of good news. In every other respect manufacturing industry emerged as despondent as ever. Its order book was running at 2.7 months of production—unchanged from March—and a further cut-back in output was planned for the next three months.

The most hopeful sign for internal demand appears in Ifo's poll of the retail sector. In every area of this sector — consumer durables, consumer soft goods, and provisions — business was looking up in June. The real turnover for June was 4 per cent. higher than in the same month of 1974 and for the first half of this year turnover was up by 9 per cent., implying a real increase of perhaps 3 per cent.

The sellers of consumer durables, whose business had suffered through a collapse in the house building industry, told Ifo that the climate had improved markedly. There was a particular turn for the better in the market for electrical goods, televisions, gramophone equipment, lights, watches and jewellery — areas which have been some of the gloomiest up till now. The turnover of photographic equipment remained lively. In the showrooms, on the other hand, the car salesman had become more uncertain about the future.

The car sales figures have been the brightest economic statistic in Germany in the first half of this year. Ifo's latest sounding implies that the Germans' propensity to consume may now be spreading to other areas. This development will be greeted with relief by the Government which has watched the average man putting no less than 17 per cent. of his take-home pay into savings with some misgiving.

Ifo's findings suggest that West Germany's contribution to any upturn in world trade could come from the consumer sector. The heavy end of industry is still too deeply affected by the world slump and has too much spare capacity to set the ball rolling with renewed investment. Exports apart, its muted expectations are bound up with the plight of Germany's building industry, where Ifo reports unrelieved despondency. Having shed one-quarter of their workforce in the course of this recession the construction companies are still operating at only 56 per cent. of their plant capacity.

It is therefore not surprising that the bulk of this Government's expected programme of reflation is earmarked for the building sector. In the middle of August the council of economic advisers will come up with a special report on the state of the economy. At the end of that month the Cabinet will use the latest tax figures to work out a supplementary budget for the rest of this year and the budget for the year 1976. Thereafter Germany will be presented with a new economic programme in all the trappings of international co-operation.

## Industrial output rates still far below last year

BY GUY HAWTIN FRANKFURT, August 4.

INDUSTRIAL production in West Germany rose only very slightly in June compared with the previous month, and industry remains heavily in recession, with production rates greatly below last year's level.

According to the Economics Ministry in Bonn, industrial output in June lay 14.2 per cent. beneath the figure for June last year.

The news comes at a time when bankers and industrialists, who just a few months ago were confidently predicting an autumn upswing, have been heavily revising their estimates. A straw poll here last week put the likely timing of the start of the recovery at the middle of next year.

In spite of Friday's welcome news of a spectacular increase in domestic orders, particularly in the capital goods field, many vital industries are running heavily under capacity. Added to this, the investment bonus scheme, which stirred the order boom, expired at the end of June.

The most hard-hit industries include the construction industry, where output is down a hefty 18.1 per cent. compared with June, 1974. The raw materials and production goods industries were nearly as badly affected with production down 17.9 per cent. Output in the consumer goods sector was 16.8 per cent.

The Economics Ministry comments gloomily that, compared with May this year, the June figures showed a "negligible" 1.2 per cent. increase in production in raw materials, production goods, and capital investment goods sectors. At the same time, the employment situation in the construction industry has improved a little. But all in all, the Ministry does not seem to believe that these small advances make much difference to the general situation.

## Trade talks with Saudis open in Bonn to-day

BY JONATHAN CARR BONN, August 4.

WITH WEST German exports to Saudi Arabia more than doubled last year, leading representatives from both countries meet here to-morrow to plan a further big expansion in trade and economic co-operation.

Bonn has high hopes that West German enterprises in particular will be able to benefit from the new Saudi Five Year Plan, which envisages investment of about $142bn. up to 1980.

The West German and Saudi sides will be holding the first session of the joint committee on economic co-operation, the establishment of which was agreed when West German Economics Minister Hans Friedrichs visited Riyadh last November. As well as Government officials, leading industrial representatives from, among others, Salzgitter, Krupp, Veba and Hoechst, will be taking part in the talks.

Last year West German exports to Saudi Arabia jumped by 120 per cent. in 1973 to DM735m.—notably through increased deliveries of vehicles, machinery and electro-technical products. Now consideration is to be given to prospects for much greater West German direct investment and in particular to the establishment of joint enterprises.

For the individual West German company the prospects are tempting indeed, in view of the tax advantages and profit transfer guarantees which the Saudis offer. If there are doubts, they involve the sheer ambition of the economic targets which Riyadh has set itself.

For the Bonn Government these talks have considerable political as well as economic importance. West German representatives are losing no opportunity to stress to the Opec countries that a major new oil price increase will raise the spectre of further recession in the industrialised world and undercut efforts for bilateral economic co-operation.

Here Saudi Arabia is particularly important to Bonn. It is the largest single exporter of oil to West Germany and it is seen as one of the most moderate of the oil producers. The West Germans feel there is almost bound to be some oil price increase, perhaps as early as next month. But they are also hoping that Riyadh will use its influence to see that the increase is far below the 30 per cent. which has been suggested by some Opec countries.

## Coup chiefs accused by Mavros

By Our Own Correspondent

ATHENS, August 4.

OPPOSITION party leader George Mavros said to-day the fallen military junta whose leaders are now on trial for high treason never gained legal status because it kept itself in power by coercing the Greek people into submission.

The nineteenth of 65 witnesses for the prosecution to give evidence at the trial, Mr. Mavros also said that the duty of King Constantine (since deposed) was to put up resistance and order the arrest of the coup leaders but that he failed to do so.

### Argument

The main defence argument at the trial is that "the colonels" moved in April 1967 to save the country from an imminent Communist takeover which was to take advantage of the political upheaval at the time. They also claim that because their regime prevailed it created its own legal status and their trial is therefore illegal.

Mr. Mavros, who was exiled to the barren Aegean island of Yaros for opposing the Junta, told the court: "The régime remained in power through martial law, terrorism, military tribunals, arrests and torture. At no time did it enjoy the support of the Greek people."

He said the defendants themselves had created an atmosphere of anxiety to justify their coup and facilitate the takeover. He said there was no danger which the legal Government of the country could not have coped with.

The long-awaited trial of the junta leaders, expected to last several weeks, is already plagued by boring repetition. Forty-six more witnesses for the prosecution are to be heard and their evidence is expected to press the same point: the 1967 coup which abolished democratic rule for seven years was the work of a group of officers (not the armed forces) whose only aim was to usurp power for their own ambitions. If this point is accepted by the court, the defendants face a possible death penalty.

The defendants, including former President George Papadopoulos, who looked haggard and depressed at the opening of the trial last Monday, have gradually regained their self-confidence, possibly realising the nuances between the civilian high court trying them and the kangaroo military tribunals they set up to try their opponents and which meted out 20-year prison terms to Greeks for being members of resistance organisations.

### Sensational

The only sensational evidence given at the trial so far was the allegation by retired Brigadier Panourgias Panourgias (now Under-secretary of Transport and Communications and at the time of the coup director of the Second Bureau of the army General Odysseus Angelis (one of the defendants who became chief of the armed forces and later Vice-President of the Republic) was blackmailed into joining the junta because he was a homosexual.

To-day, Actress Melina Mercouri caused a minor incident during an interval of the trial, which is being held inside the walls of the strongly guarded Korydallos Prison where the defendants are detained.

Posing as a journalist, Miss Mercouri, a staunch opponent of the junta, had an altercation with Mr. Papadopoulos to whom she at one stage shouted: "The time has come for you to answer for your acts. Why don't you talk? Are you afraid?"

Mr. Papadopoulos, who has chosen silence as his defence during the trial, moved to another corner of the room.





## APPOINTMENTS



## WANTED



## COMPANY NOTICES

THE BATH AND PORTLAND GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Interim Dividend for the year ending 31st October, 1975, will be paid to shareholders registered on the 22nd August, 1975.
G. P. P. Hart
Secretary
20 Manvers Street,
Bath BA1 1LX.

COMMONWEALTH OF AUSTRALIA
3¾% 1971-1986 Loan of 15,000,000 European Units of Account (U.A.)

NOTICE IS HEREBY GIVEN to bondholders that the redemption of the instalment of U.A. 500,000.—has been effected by repurchase on the market.
It is recalled that the Bonds of U.A. 1,000.—bearing the numbers 12,550 to 13,049 are repayable from August 1, 1975. Bond bearing the number 12,976 is still outstanding.
BANQUE LAMBERT—LUXEMBOURG
Société Anonyme

THE SOUTH STAFFORDSHIRE WATERWORKS COMPANY

NOTICE IS HEREBY GIVEN that the Transfer Books of the Company will be closed from the 18th August, 1975 to 31st August, 1975 both days inclusive, against TRANSFERS OF ORDINARY STOCK but not against transfers of Preference and Debenture Stock.
By Order of the Board.
A. W. TIBBENHAM
Secretary.
50 Sheepcote Street,
Birmingham B16 8AR.
31st July, 1975.

The currency conversion date which appeared in the Notice advertised on August 1st, 1975 was incorrect. The correct date appears in the Notice below.

WANKIE COLLIERY COMPANY LIMITED
(Incorporated in Rhodesia)
NOTICE TO HOLDERS OF
5½ PER CENT FIRST
MORTGAGE DEBENTURE STOCK
1962/78
INTEREST PAYMENT NO. 44

Notice is hereby given that no transfers of debenture stock will be registered by the Company during the period 16th to 31st August, 1975, both dates inclusive and that warrants in payment of interest due in respect of the half year ending 31st August, 1975 are due to be paid on that date to debenture stockholders registered at the close of business on 15th August, 1975.

Interest is payable in United Kingdom currency and payment will be made from Salisbury and Johannesburg in the Rhodesian or South African equivalent of the sterling value at the rate of exchange ruling at the close of business on 29th August, 1975. Cheques in payment of interest will be despatched as soon as possible thereafter.

Owing to current exchange control regulations the Company is unable to make payment of interest to stockholders resident in the United Kingdom, Zambia or Tanzania. Interest due to such stockholders must be paid into a blocked account in the stockholder's name with a registered commercial bank in Rhodesia. The Rhodesian exchange control regulations permit the investment of funds held on blocked accounts in interest bearing savings and fixed deposit accounts with the commercial banks. Special application may also be made to Rhodesian exchange control through an authorised dealer for permission to use blocked funds for other types of investment in Rhodesia. United Kingdom residents require Bank of England permission to invest their blocked funds in Rhodesia.

Arrangements are being made for stockholders formerly paid from the United Kingdom and who are not resident in the United Kingdom, Tanzania or Zambia to be paid their interest from Rhodesia.

By order of the Board
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
D. H. J. Pattison.

London Office:
40, Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom share transfer secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House Park Street,
Ashford, Kent TN24 8EQ.
31st July, 1975.

## LEGAL NOTICES

THE HIGH COURT
BANKRUPTCY

THOMAS JOHN O'KEEFFE of 29 Lower Leeson Street, Dublin 2, and Pax, Cypress Grove, Terenure, Dublin, 6. Accountant and Company Director Was on the 21st day of July 1975 adjudged Bankrupt.

PUBLIC SITTINGS will be held before the Court at the Four Courts, Dublin, on Friday the 15th day of August 1975 and on Wednesday the 27th day of August 1975, at the hour of eleven o'clock in the forenoon whereat the Bankrupt is to attend, and to make a full disclosure and discovery of his Estate and Effects. Creditors may prove their Debts, and at the First Sitting choose a Creditor's Assignee. At the Last Sitting the Bankrupt is required to finish his Examination.

All persons having in their possession any Property of the Bankrupt should deliver it and all Debts due to the Bankrupt should be paid to SEAN S. O'DONNCHADHA Official Assignee, Four Courts, Dublin, to whom Creditors may forward their Affidavits of Debt.

DAVID MUNRO,
Assistant Examiner.
EUGENE F. COLLINS & SON
Solicitors,
61, Fitzwilliam Square,
Dublin, 2.

## GOURMET



## CONTRACTS AND TENDERS

CORPORATIONS STANDING TENDERS BOARD
CALABAR PORT DEVELOPMENT PROJECT
INVITATION FOR PRE-QUALIFICATION OF TENDERERS
NIGERIAN PORTS AUTHORITY

Applications are invited from suitably experienced contractors for pre-qualification to tender for the construction of the Calabar Port Development Project.

Tenders for the project will be invited only from contractors who have been pre-qualified.

The project briefly consists of the following:

1. Dredging to a profile for channel adjustment to a depth of 7 m in places in the main sailing channel, 9 m in turning basin and 14 m along new quay structure. Total volume to be dredged is estimated at 4 million m³. The material is unconsolidated sands, silts and clays.
2. Excavation and embankment of some 1 million m³ of stratified sandy clays, silts and clays for the new port area.
3. Supply and placement of some 35,000 m³ of rip-rap (crushed quarry rock) below the quay deck structure.
4. Construction of a 40 to 80 m wide x 860 m long R.C. quay structure (some 50,000 m²), 0.5 m thick, complete with crane tracks and other auxiliaries, supported on some 1,850 concrete filled steel casings, 20 and 30 m deep.
5. Construction of a paved access road, gate facilities, paved port area, road network and parking and storage areas.
6. Construction of 3 transit sheds and 2 warehouses each 7000 m² using rigid steel frame construction supported on piles.
7. Construction of a 4500 m² total, 3-storey administration building and clinic, and miscellaneous other auxiliary buildings.
8. Utilities
   (a) Construction of water main, water tower and water distribution network inside port area.
   (b) Construction of dual sanitary sewage collection and disposal system and sanitary sewage treatment plant.
   (c) Construction of electrical power supply system and exterior lighting and interior installations.
   (d) Construction of telephone line network.
9. Provisions for surface drainage and storm sewers, slope protection and erosion control measures and other ancillary works associated with port developments.
10. Navigation aids for the entire sailing channel (80 km).

A brochure giving details of conditions and procedure for pre-qualification and scope of the work envisaged can be obtained on application from the Controller of Engineering, Nigerian Ports Authority, Private Mail Bag 12588, Lagos, or to Norconsult A.S., P.O. Box 9, 1322 Hovik, Norway.

Only contractors who have undertaken any one project of value Naira 10 million (Pounds Sterling 7.00 million and U.S.$ 15.0 million) and above in harbour works or heavy civil engineering as main contractors need apply.

All applications for pre-qualification should be forwarded to the Secretary, Corporation Standing Tenders Board, Private Mail Bag 12055, Lagos, in a wax sealed envelope and marked on the upper lefthand corner "CONFIDENTIAL—PRE-QUALIFICATION FOR CALABAR PORT DEVELOPMENT PROJECT" and should reach him not later than 12 noon 8th September, 1975.

All firms wishing to tender should indicate whether or not their company is established in Nigeria in accordance with the Immigration Act and the Companies Decree 1968 and Revisions.

All replies shall be in the English language.

SECRETARY
Corporation Standing Tenders Board

A. G. McKEE & CO.
on behalf of
YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS

INTERNATIONAL PUBLIC LICITATION NO. 3

PURPOSE: Supply of mixers for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On October 7, 1975 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

INTERNATIONAL PUBLIC LICITATION NO. 4

PURPOSE: Supply of propane refrigeration unit for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On October 8, 1975 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

BID BOND: 5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the office of "A. G. McKEE & CO.," Hipolito Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $50.00 or its equivalent.

VALIDITY OF OFFERING: Thirty days following bid opening date.

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225/OC-BO with the Government of the Republic of Bolivia.

CONTRACTS & TENDERS ALSO APPEAR TODAY ON PAGE 19

## APPEALS



## PUBLIC NOTICES

BEDFORDSHIRE COUNTY COUNCIL
BILLS

£4,000,000 Bills maturing on the 29th October 1975 were offered and £2,000,000 issued on the 30th July 1975 at a rate of interest of 10.25 per cent. Applications totalled £45,000,000. These are the only Bills outstanding.

HALTON BOROUGH COUNCIL

£850,000—Halton Borough Council Bills issued the 30th July, 1975—due the 29th October, 1975 at 10.46868%. Applications totalled £2,200,000—£550,000 bills are outstanding.

HOME NEWS

# ICL to make further 205 redundant

BY CHRISTOPHER LORENZ

INTERNATIONAL COMPUTERS plans to sack up to 205 employees—bringing to more than 600 the number of redundancies announced this summer.

The new cuts are to be made in the manufacturing division, but did not, ICL stressed last night, imply any reduction in output.

Employees have been told that economic conditions require the company to be increasingly competitive in order to achieve the planned levels of turnover. Present U.K. inflation levels mean that every opportunity for cost-cutting and increased efficiency has to be "sought out and implemented immediately if the majority of jobs in the division are to be preserved."

The cut results from a thorough review of excess requirements, and involves a combination of production transfers (from two Stevenage sites to an under-utilised Letchworth plant) and reductions in supervisory and clerical grades at Stevenage, Letchworth and Winsford, Cheshire. The production transfer concerns the 1902T computer model.

## Nervousness

In mid-June ICL announced the closure of its Stevenage development centre, one of three in the company. About 400 of the 600 employees are being made redundant.

There is some nervousness within ICL about the employment outlook due more to continued uncertainty over its future production of peripherals—including printers and tape drives—than to the patchy state of the international computer markets.

ICL has been hoping for an early decision about its proposed joint U.K. peripherals factory with NCR and Control Data, two U.S. computer companies. Negotiations have been dragging on since last year's declaration of intent was signed, with one of ICL's major shareholders loath to approve the operation.

# Twomey 'spotting' denied by Army

By Giles Merritt

REPORTS that an Army patrol spotted Mr. Seamus Twomey, the Provisional IRA's new chief of staff, in the Falls Road area of Belfast a week ago but refrained on "top level instructions" from arresting him were flatly denied by the Army last night.

The Army's account of the episode is that a man "resembling Twomey" was identified in a Falls Road shopping precinct by a Royal Highland Fusilier patrol, but the man vanished during the time it took the soldiers to find an RUC police officer to accompany them.

The Army version, however, is likely to be viewed with some scepticism in Loyalist circles. Coupled with the fact that it is standard procedure for military patrols to detain suspects and then hand them over to the civil police authorities, there have also been reports that Mr. Twomey had been living in Springfield Road, Belfast, for three weeks before the sighting.

Reflecting the general Loyalist view that some form of "safe conduct deal" may have been reached between Mr. Merlyn Rees, Secretary of State, and the IRA Provisional as part of the overall cease-fire agreement, Mr. William Craig, Vanguard Party leader, plans to table a Parliamentary question for Mr. Rees to that effect.

## Concerned

Mr. Rees is likely to be more immediately concerned by the rising trend of attacks on security forces in predominantly Roman Catholic areas of Northern Ireland. This week-end there have been three ambushes, with Army patrols in Stewardstown and Derry coming under fire and an attack on RUC men in the Strabane area.

In addition, police are working on the theory that Friday's attack near Bambridge on a car carrying five pensioners returning from a bingo session, which resulted in one death and four woundings, was an error and the intended target had been an RUC vehicle.

Responsibility for the incidents has yet to be determined and it could be that the Provisional IRA is not directly involved, but the increase in attacks is expected to come high on the agenda when Mr. Rees meets Lt.-Gen. Sir David House, the new GOC in Northern Ireland and Sir James Flannagan, the RUC's chief constable, at the regular weekly Security Review.

# Electricity boards seek aid over costly coal stocks

BY PETER FOSTER

COAL STOCKS at power stations are 50 per cent. up on this time last year and could be heading for record levels.

Mr. Alex Eadie, Energy Under Secretary, told the Commons yesterday that 17½m. tonnes of coal were held at power stations, compared with 11.8m. tonnes in August last year and a record 19m. tonnes in 1973.

The stock levels indicated by Mr. Eadie — of which 16.4m. tonnes are accounted for by the Central Electricity Generating Board in England and Wales and the remainder by the Scottish Board — are well above the minimum levels required under EEC rules and are costly to finance.

Under the 50-days stock rule recommended by the EEC, the CEGB would need only about 12m. tonnes of coal. The cost of financing the extra 4.4m. tonnes has been estimated by Mr. Arthur Hawkins, the Board's chairman, at around £9m. annually. The CEGB is now negotiating with both the National Coal Board and the Department of Energy on assistance to meet these costs.

The most recent figure for stocks held by the NCB is 6.6m. tonnes, which is just below the level of this time last year.

Although the CEGB expects to burn some 6 per cent. less fuel in the current financial year than in 1974-75, this cut will fall entirely upon oil consumption, of which around 13.7m. tonnes coal equivalent will be burned, compared with over 20m. tonnes last year.

The generating board took more than half of the NCB's output last year and is expecting to increase its coal burn marginally in the current year, from just over 64m. tonnes to more than 66m. tonnes.

Coal is still cheaper than oil in terms of generating costs—although the gap has been narrowed to less than 10 per cent. by the coal price increases of the last year—and oil supplies remain under the cloud of political uncertainty in the Middle East.

In addition the OPEC nations are expected to impose an oil price increase in the autumn, while Sir Derek Ezra, NCB chairman, recently made a tentative promise to hold coal prices this year.

Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons yesterday that stocks and supplies should be adequate to see the country through the winter.

"Contingency plans are available should they be needed and I shall continue to develop measures to achieve savings, including the publicity campaign."

Pointing out that the recession had reduced electricity consumption, Mr. Benn acknowledged that the hazards of a harsh winter remained.

The CEGB is estimating that output of electricity for 1975-76 will be some 205,000 Megawatt hours against 213,000 MWH last year.

# Sotheby's turnover drops 16% and Christies 21%

BY MICHAEL THOMPSON-NOEL

THE London art market's return to a healthier, more rational footing after the great art boom of 1973 was the theme adopted yesterday by the larger auction houses in reporting their sales figures for the switchback season just ended.

Sotheby Park Bernet's turnover for the year was £75.1m., a 16.8 per cent. fall on 1973-74, and Christie's turnover dipped 21.8 per cent. to £33.7m. Phillips, the third biggest auction house, showed a small gain from £10.4m. to £10.7m. At Bonham's, turnover fell by 11.5 per cent. to £4.1m.

The three largest companies emphasised that the depression of last autumn, when prices in some sectors dipped sharply, had been erased by the market's recovery since Christmas.

Sotheby's said: "The flow of material for sale began to increase in January, and the high prices in the saleroom speeded up this flow.

## Reinvestment

"In recent months it has become more and more evident that owners are selling selected examples from their collections and immediately re-investing part of the money obtained in other works of art—sometimes even at the same sale."

Part of a Sevres ornithological dinner service which fetched £33,600 at Christie's.

Christie's said that since the New Year there had been a "remarkable recovery and prices now compare favourably with last year."

Phillips said: "Good quality works of art, particularly the smaller, more portable items, have continued to rise in value and we confidently expect this field to be the best hedge against inflation."

Sotheby's leading departmental sales figures in New Bond Street were: Impressionists £6.6m., books and manuscripts £3.3m., and Chinese porcelain and Old Masters £2.9m. each, while in New York jewel sales totalled £3.2m. and Impressionists £2.8m.

Demand for the best Impressionist and modern paintings remained steady throughout the year said Sotheby's, but prices for contemporary work fluctuated. A highlight in this sector included £145,299 for Jean Dubuffet's *Echange de vues*, a world record for any living artist. Paul Gauguin's Hina Maruru made £409,000, a record for the artist.

The season's most remarkable feature, had been recovery in prices of Chinese porcelain, a sector which slumped badly last autumn. In March, a 14th-century blue and white jar which had been heavily restored fetched £160,000, and in July a Ming bowl sold in 1940 for £32 made £100,000.

Sales at Sotheby's of furniture, clocks and watches totalled £8m., including £240,000 for a Louis XVI ormolu-mounted ebony bureau plat and cartonnier—a world record for a piece of furniture—while jewel sales in London, New York, Zurich, Amsterdam, Los Angeles and Melbourne totalled £6.2m.

Silver prices at Sotheby's stayed firm—one buyer paid a record £38,000 for a pair of Charles II candlesticks—and prices of fine glass were equally encouraging.

Early photographic material constituted one of the newer collection fields beginning to prosper, and Sotheby's also noted significant price surges in art nouveau and art deco, English prints (particularly the work of the pre-Raphaelites and the Vorticists), Japanese ivories, fine English porcelain, and arts and craft furniture of the late 19th and early 20th centuries.

Christie's total of £33.7m. includes £8m.-plus for sales in Geneva, Amsterdam, Madrid, Rome, Montreal, Sydney and Melbourne, and £1.2m. at Christie's South Kensington, acquired in February to provide a quicker sales-and-settlement service for art works in the lower price range.

Christie's said last night: "When considering the lower sales total it must be remembered thta during the season there were fewer major collections such as those of Sydney J. Lamon, Kurt Meyer and Frederick M. Mayer, all from America, which Christie's sold during 1973-74 for nearly £5m.

"Added to that, there has undoubtedly been less English buying because of fears of a wealth tax."

One of Christie's host historic sales of the past season was the sale of 6,000 cases of first-growth claret from Lafite and Mouton-Rothschild for £431,000 (including £600 for a case of 1945 Lafite). There were 310 buyers from all parts of the world.

Phillips, whose turner gain in a difficult year reflects its strength in the market's lower price ranges, noted that institutional buyers were investing in sound, high-quality "boardroom" furniture as a likely inflation hedge, and that demand for rugs, Victorian paintings, English and Continental ceramics, jewellery, stamps, books and musical instruments had been uniformly strong.

# Building societies urged to release more funds

BY JOE RENNISON

A CALL TO the building societies to release more of the funds they hold as liquid assets into mortgages for potential borrowers so as to stimulate the house-building industry came yesterday from the House-builders Federation.

The Federation said the liquid funds stood at £4.28bn. or 19.5 per cent. of societies' total assets—a record amount of money for the societies to keep in cash and investments.

This reflected far too cautious an attitude by the societies, who admit in their bulletin Facts and Figures published yesterday, that there is little likelihood of another price explosion.

House builders are particularly worried that the percentage of mortgages granted on new houses has fallen from a high of 37 per cent. to the present figure of about 19 per cent.

It said that if the societies reduced liquidity by only 2 per cent. £850m. would be released for mortgages and help to stimulate the ailing house-building sector.

New housing starts are running at a level of nearly half what they were in the boom period and one in six of the total number unemployed in the country are construction workers.

The building societies said that they did not agree with the diagnosis of the builders' problem. They were now pumping record amounts of money into the property market. If there were a strong demand for more new houses, there would be no difficulty in finding the mortgage finance.

# BA will deny Shuttle is unfair competition

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BATTLE between British Caledonian Airways and British Airways over the future of British Airways' no-reservation Shuttle service between London's Heathrow Airport and Glasgow resumes to-day, when Mr. James Scarlett, for BA, will seek to rebut evidence given last week by Caledonian.

BCAL is seeking a differential fare in its own favour and a cut in the number of Shuttle flights on the grounds that the Shuttle creates "unfair" competition at a time of substantial losses on U.K. domestic air routes.

Caledonian spent much of Thursday outlining its case to the Civil Aviation Authority in London, with Lord Boyd-Carpenter, chairman of the Authority, presiding.

Mr. Scarlett is expected to argue strongly at to-day's hearing that Shuttle is proving popular with the passengers, who have a choice between this service and BCAL's conventional jet service at the same fare. If passengers prefer the Shuttle it must be because that service suits their convenience.

He will also say that Caledonian, whose predecessor, British United Airways, first went on to the route in 1964, knew well what the competitive situation was when it began operations and therefore, cannot claim now that it is being faced with unfair competition.

Mr. Adam Thomson, chairman of BCAL, said before the Shuttle started this year that BCAL was not afraid of it and would compete by offering "a better product for the same money"—a high quality service on its own jet operations between Gatwick airport and Glasgow.

Caledonian, in effect, is admitting now that its efforts have failed.

BA is conscious of the fact that if it loses the case and has to cut the number of Shuttle flights, as well as charge a higher fare, the whole foundation upon which Shuttle is based will be destroyed and there will be no point in continuing with it.

# 'Green light' buses run half empty

By Lorne Barling

A SCHEME to persuade motorists in Nottingham to make more use of public transport, which includes free coaches from the outskirts, went into operation yesterday, with few complaints but little increase in the use of buses.

The aim of the scheme is to use traffic lights to keep congestion on the way into the city at a level which will allow more efficient operation of public transport. Transport authorities had one complaint yesterday, from a motorist who claimed he had been kept waiting for 13 minutes at a traffic light.

The County Council transport department said: "It is not our aim to delay motorists, but to redistribute the congestion. The system will be tried for 12 months and be monitored continuously."

Traffic was light yesterday because of the summer holidays, and there was little congestion—but buses ran half empty. The council said the scheme had been started intentionally during the holiday season and it was hoped to keep traffic down to present levels.

# Wool industry seeks ban on imports

BY OUR BRADFORD CORRESPONDENT

A RESTRICTION on imports of wool and man-made fibre—particularly clothes from Eastern European countries—is included in a seven-point action programme put forward to-day by Britain's wool textile industry with the aim of preventing more mill closures.

Details have been sent by the Yorkshire-based industry to local MPs, ahead of to-morrow's debate in the Commons on the state of the textile industries.

The industry also wants the EEC, as a matter of urgency, to negotiate protection from disruptive low-cost imports of acrylic yarn, clothing made of all types of fibre and knitwear. Protection can be provided under the Community's multi-fibre agreement.

Statistics provided by surveillance licensing should be used to identify and counter existing and newly-emerging disruptive imports before they cause further damage to certain sectors, the industry urges. Action is also sought against imports of low-priced woollens from Italy.

The massive assistance promised by the Prime Minister under the Industry Act of 1972 should be used to give financial assistance to companies faced with a large bill for installation of guards on carding engines.

The industry also wants instructions to be given to Government departments, State trading industries and local authorities to buy British-made textiles and clothing in preference to imports.

Mr. Roy Stroud, chairman of the Wool Textile Delegation, said yesterday that immediate action was needed to preserve the wool textile industry.

"This is a vital national interest, not only because of its high export earnings but also because of its crucial importance to regional economies.

"Our mills are being picked off one by one, yet collectively they contribute just as much to Britain's image and its export earnings as 'glamour industry' giants do."

If the industry wasted away any further, there would be irreparable damage to its capacity to supply home and export markets when the recession ended.

# Textile unions in lobby to reprieve mills

TEXTILE UNION leaders will travel to London to-day for talks with their MPs in readiness for to-morrow's emergency debate on the industry. They have proposed to the Prime Minister a formula for saving two Manchester mills from closure.

The union proposes the establishment of a purchasing agency to buy up yarn stocks at Courtaulds' Empress Mill at Wigan and the Era Mill at Rochdale, part of the Agremin group, both of which are scheduled to close shortly. If yarn produced at either mills met consumers' requirements, import licences for the material would be refused.

The scheme is coupled with the demand for an assurance that there will be no further mill closures in the North-West.

# Quick status

BRITISH DEBT Services is launching a 24-hour commercial status reporting service. Mr. John Bentham, chairman, said yesterday: "It is designed to help companies do business with creditworthy companies and to decide fast, before their competitors arrive on the scene."

# Patent writ contested by Sussen

SPINDELFABRIK Sussen, the West German textile machinery manufacturer, is to contest the writ issued against it by Platt Saco Lowell, part of the Stone-Platt group, alleging infringement of its patent on open end spinning machinery.

Sussen said yesterday that its German and British lawyers believed that the Platt Saco Lowell patent was not legally valid. Sussen has filed a counter charge requesting withdrawal and cancellation of the disputed patent.

The company said that it had a new design and the dispute would not affect sale of its open ended spinning units.

Sussen said in its statement that British patents were frequently granted for supposedly new designs without examination of previous designs or the magnitude of the invention. For this reason, a considerable number of patents were granted which would not stand up to a close examination in the event of a law suit.

# New rules for food price information

THE GOVERNMENT has reduced the amount of price information that retailers will have to display when selling subsidised foods.

Shopkeepers will have to display only the maximum prices of the three best-selling brands of any subsidised line. However, a list of the prices of the other brands in the sector must be available to shoppers on request.

Except on tea, retailers have until now had to display the maximum prices of all subsidised brands. In addition they have had to publicise separately the prices of the three best-selling brands.

The change in the requirements, announced yesterday by Mrs. Shirley Williams, Secretary for Prices, means that the situation on bread, butter, cheese and flour will now be the same as on tea, the other product to receive a Government subsidy.

# Plastics men attack Soviet imports deal

FINANCIAL TIMES REPORTER

THE BRITISH Plastics Federation has protested to the Government at the impact of the Anglo-Russian economic co-operation programme on the British plastic moulding machines industry.

The agreement—providing for Britain to import Russian-made moulding machines which will then be fitted with British-made electronic controls—will, the federation says, put jobs at risk and result in the complete domination of the £10m. market for moulding machines by imports.

The agreement was a "scandal" and "must be changed for the sake of the industry, its member companies, its employees and their families."

The federation has written to both the Government and the Opposition saying that the provision ignores complaints of dumping made by the federation about Soviet-built injection moulding machines.

Moreover, the agreement was "basically inequitable" as the electronic controls, which will be supplied by British manufacturers, accounted for only eight per cent. of the total selling price of the machines. The other 92 per cent. would help boost Russian exports.

The federation is also annoyed that there was no detailed consultation with the industry about the plastic moulding machine agreement. It feels that the provision does not fit in with the Government's own policy for the U.K. plastic machinery industry which employs about 1,000 people.

Two official reports on the industry have recommended that it improve its overseas trade and domestic competitiveness. "This provision could wreck the latter," the federation says.

STOCK EXCHANGE BUSINESS IN JULY

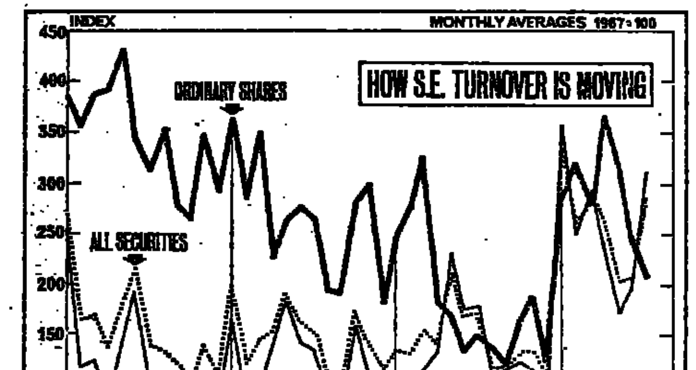
# Strong recovery in gilt-edged

BY GEOFFREY FOSTER

BUSINESS ACTIVITY in the gilt-edged sector of stock markets jumped sharply in July, but that in equities continued to decline.

Trading volume in British Government Securities leapt £2.7bn., about 58 per cent. on the month to £7.9bn., the highest since January's record £8.4bn.

The increase occurred mainly in long-dated stocks where a measure of the attractions in this field was the record applications made for the intended new "tap" stock. Treasury 13¼ per cent. 1997; off-take before dealings began in the issue was such that not enough was left of the £750m. stock to provide an effective "tap."




Turnover of other fixed-interest securities rose £1.6bn. on the month to £3.5bn., while turnover in short-dated stocks totalled £3.8bn., a rise of £1bn.

The number of bargains in gilts as a whole rose by 17,966 to 72,641, about 980 more than the January boom total of 71,661. The position was reinforced by a large expansion in the average size of bargains transacted, particularly in the longs where it jumped from £69,701 in June to £92,485.

The Financial Times Stock Exchange Turnover Index for British Government Securities jumped to 310.7 in July, its highest since January's 356.9, and is now about 78 per cent. higher than the year's "low" of 174.6 recorded in May. Last year's average was only 135.0.

In contrast, trading volume in the equity sector continued to deteriorate, turnover falling from £1.4bn. in June to £1.2bn. This is the lowest month's trade so far this year, and made a poor comparison with April's near-record £2bn.

The number of bargains dropped 46,133 to 322,940—the lowest since December last year. The Financial Times Turnover Index for Ordinary shares thus receded further in July to 206.8, compared with 248.2 in June, 319.5 in May and 365.0 in April. However, July's 206.8 compares favourably with last year's average of 187.6. The average value per equity bargain fell to £3,589 from June's £3,769.

Business in All Securities jumped £2.6bn. to £9.4bn., the highest since March, and only about 15 per cent. below January's record figure of £10.9bn. The total number of bargains, however, fell a further 29,246 to 441,839, reflecting the idle conditions in equities.

The Financial Times Turnover Index for All Securities rose to 287.2, against June's 206.7 and January's record 335.8. Last year's average was 144.9.

The Government's anti-inflationary plans saw the long-end of the gilt-edged market in good demand last month. Strong institutional buying brought gains of up to a point and a half at times, on the possibility that long-dated stocks may offer positive returns within the next year.

Short-dated stocks were neglected for the first half of the month. However, a rise in short-term interest rates in the U.S. prompted some switching from shorts to the longs later in the month and a weak undertone in the former was aggravated as the Bank of England increased MLR (old Bank Rate) 1 per cent. to 11 per cent.

From an end-June level of 57.76, the Government Securities index improved to 61.18 on July 17, before easing to close the month a net 3.28 higher at 60.14. This compares with the 1975 "high" of 62.34 on March 20.

Equity prices greeted July by rising strongly on the first day in anticipation of the Government's anti-inflation measures. Bears quickly closed short positions and institutional buying in a market short of stock resulted in the FT Industrial share index recording its largest one-day advance — 23.7 (over 8 per cent.) to put it firmly back over the 300 mark. However, the absence of cuts in public expenditure and fears that the unions would not accept the wage restrictions were adverse factors in a subsequent equity downturn.

From the end-June figure of 291.8, the Financial Times 30-share index rose to 327.6 on July 9 then drifted down to close the month a net 8.5 points off at 283.3.

Gold mining shares generally drifted lower in July. The weakness of the investment dollar premium, the erratic movements in the price of gold bullion and disappointment with the June quarter profits of the South African producers were inhibiting factors.

From an end-June level of 418.2, the Gold Mines Index fell sharply to 337.3 on July 21 before closing the month a net 59.9 lower at 358.3.

| Category | Value of all purchases and sales £m. | % of total | Number of bargains | % of total | Average value per day £m. | Average value per bargain £ | Average no. of bargains per day |
|---|---|---|---|---|---|---|---|
| British Govt. and British Govt. Guaranteed: | | | | | | | |
| Short-dated (having five years or less to run) | 3,805.0 | 40.6 | 34,398 | 7.8 | 165.4 | 110,618 | 1,496 |
| Others | 3,536.9 | 37.7 | 38,243 | 8.7 | 153.8 | 92,485 | 1,663 |
| Irish Govt. | 433.3 | 4.7 | 2,096 | 0.7 | 19.0 | 141,575 | 124 |
| U.K. Local Authority | 321.1 | 3.4 | 7,459 | 1.7 | 14.0 | 43,050 | 324 |
| Overseas Govt. Provincial and Municipal | 15.9 | 0.2 | 1,531 | 0.3 | 0.6 | 9,774 | 67 |
| Fixed Interest Stocks Pref. and Prefd. Ord. Shares | 98.4 | 1.0 | 34,172 | 7.7 | 4.3 | 2,880 | 1,486 |
| Ordinary Shares | 1,159.1 | 12.4 | 322,940 | 73.1 | 50.4 | 3,589 | 14,041 |
| TOTAL | 9,373.3 | 100 | 441,839 | 100 | *407.6 | *21,316 | *19,211 |

* Average of all securities.

# Labour demands more positive race laws

A CALL for any new race relations legislation to be "at least as comprehensive" as that proposed in the Sex Discrimination Bill has come from the Labour Party.

In a submission to the Home Office—which has asked interested organisations to send "advice and recommendations" before the publication in the autumn of a race relations White Paper—the Labour Party proposes that cases of racial discrimination should be dealt with in the manner laid down in the Sex Discrimination Bill.

However, the Party calls for greater assistance than that proposed under the Sex Discrimination Bill for complainants in cases of racial discrimination.

It seeks a wider role for the Commission for Racial Equality over the question of legal aid, either through grants to legal assistance organisations or by setting up an independent agency to help complainants. But there should, it claims, be one fundamental difference between the race and sex laws, and that is that no exceptions on grounds of "privacy" or "propriety" should be made where race is concerned.

The Government's announcement that it plans to harmonise powers and procedures for dealing with race and sex discrimination is welcomed by the Party.

Calling for a strengthening of legislation, the submission nevertheless emphasises that such reforms would achieve little without a fundamental change in attitudes.

"We therefore urge that proposals for positive action to promote genuine equality of opportunity for ethnic minority groups be included in the White Paper's recommendations.

Central Government is called upon "not merely to reform the law, but also to set a good example by its own behaviour." Units specialising in race relations should be established within each relevant Government department, to monitor, advise and formulate policies, taking into account the needs and views of minority groups."

Local authorities are called upon to give more consideration to minority groups; non-discrimination clauses in Government contracts should be made effective, and positive measures should be taken by Government to recruit from ethnic minorities.

In conclusion, the Labour Party urges the Government to act upon the "structural" causes of racial inequality and disharmony. "Much greater effort and money needs to be directed to our deprived inner city areas, to improve housing, education and training facilities and, above all, job opportunities, especially for young Blacks."



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PARLIAMENT

# First 'Forties' oil ashore by end of October

BY OUR PARLIAMENTARY STAFF

BP NOW expects the first oil from the Forties Field to reach Grangemouth by about the end of October, Mr. John Smith, Under-Secretary for Energy, told the Commons yesterday.

He agreed with Mr. Dennis Canavan (Lab., W. Stirlingshire) that it would be a very important occasion and one worthy of widespread celebration.

Mr. Hamish Gray (Con., Ross and Cromarty) pressed for some indication as to whether the Government regarded the present refining capacity at Grangemouth as adequate to meet future needs or whether further refineries were likely to be required.

After referring to the statement on refinery policy made last December by Mr. Eric Varley, the then Secretary of State for Energy, Mr. Smith said the main problem was to change the type of refining capacity so that it could take North Sea oil instead of the crude oil from the Middle East which had been the traditional source of supply.

Energy Secretary, Mr. Anthony Wedgwood Benn, was urged to meet the chairmen of the nationalised industries, and to take steps to "regain their confidence."

Mr. Gray claimed during Commons questions: "There confidence is wholly shattered after the revelations on Court Line and Norton Villiers, for example."

Mr. Benn's handling of top-level decisions was now "very much in question," Mr. Gray declared amid Labour protests.

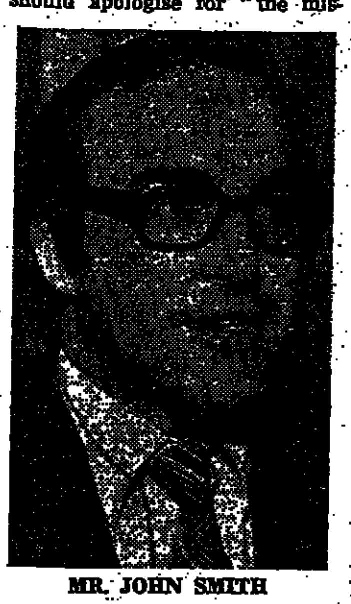
Mr. Benn told him that he met the chairmen of the nationalised industries regularly, but a collective meeting was now unlikely before the early autumn.

"I share your view that the relationship between Ministers and the chairmen of the nationalised industries is important. But Ministers, however accountable to this House, have concerns they ought to see are safeguarded.

"I have sought to do so, and shall seek to do so in future."

During later exchanges, Mr. Benn was challenged on his recent comments about the gas contracts between ICI and British Gas.

"Shadow" Energy Secretary Mr. Patrick Jenkin said Mr. Benn should apologise for "the mis-



MR. JOHN SMITH

leading information" he had given over the ICI gas contract last week.

## Figures

Mr. Jenkin: "Do you not realise that to brandish about phoney figures of that sort merely demonstrates yet another example of your capacity for misleading from your fetid imagination?"

Mr. Benn said he had been asked the question without notice at a select committee and had given the information available to him.

"I then wrote to the chairman of the committee publishing the comments, as I promised I would, of the chairman of the British Gas Corporation."

Mr. Michael Marshall (C., Arundel) claimed later that Mr. Benn was slipping badly even in his new job. He said that among the energy conservation measures were the making of long-term contracts such as those of the British Gas Corporation and ICI.

He asked Energy Under Secretary Mr. Alex Eadie "will you take the opportunity, if Mr. Benn will not, and see an apology goes out to the chairman of the British Gas Corporation for the partial and totally misleading evidence given to the committee on nationalised industries?"

Mr. Eadie said the question had been answered previously by Mr. Benn.

Coal stocks at power stations are substantially larger than at this time last year, Mr. Eadie told the Commons.

## Coal stocks

He was replying to Mr. Michael Brotherton (C., Louth) who reminded him that leaders of the National Union of Mineworkers had stated that they would never again allow large coal stocks to be held at power stations.

Mr. Brotherton said there was widespread concern about the level of coal stocks at a number of power stations throughout the country.

Mr. Eadie: "The stock position has substantially improved."

At present there were 17½m. tons of coal at power stations. This compared with 11.8m. tons at the same time in 1974 and 19m. tons in 1973.

Mr. Benn told the Commons that stocks and supplies should be adequate to see Britain through the winter.

"Contingency plans are available should they be needed and I shall continue to develop measures to achieve savings, including the current publicity campaign."

Mr. James Sillars (Lab South Ayrshire) asked if Mr. Benn was satisfied that the contingency plans would cover the worst which could happen.

The coming winter could bring very severe weather after four mild winters, and also there could be a substantial increase in the cost of Middle East crude oil.

Mr. Benn: "Any Secretary for Energy could run the risk in the winter of having to look back at an over-optimistic forecast made on a hot summer's day.

"There are risks from weather and other interruptions and dislocations, and we have to look at these with very great care. The contingency plans have been prepared with this in mind."

Replying to Mr. Arthur Palmer (Lab Bristol NE) Mr. Benn said that as a result of the recession, consumption of electricity was well below what it had been, and could be. But there still remained the hazards of the winter for the electricity supply and other fuel indsutries.

A total of 120,000 domestic and commercial consumers of electricity in England and Wales had their supplies disconnected because of non-payment of bills in the last financial year, Mr. Benn said.

The number of consumers who had gas supplies cut off for the same reason was 34,000. For electricity the figure represented 0.7 per cent. of consumers and for gas 0.36 per cent.

## Higher bills

Mr. Benn went on to tell Mr. Teddy Taylor (Con., Cathcart) that he was anxious about the winter, when substantially higher bills would be going out.

"This will be at a time when there will be a number of people unemployed or on short time."

Mr. Benn added that he had seen the chairman of the Electricity Council about this matter.

"It is of very great concern that a general desire to bring nationalised industries into balance should not be followed by disconnections of this kind which would create serious hardships to many families."

# Mobility allowance review promised

A LORDS amendment to the Social Security Pensions Bill to increase the £5 a week mobility allowance for disabled people each year, was rejected in the Commons. Instead, a Government change was accepted without a division, providing for an increase to be considered in light of the national economic situation, as well as the general standard of living.

This takes effect from the 1976-77 tax year and will continue in subsequent years.

Mr. Michael Meacher, Under-Secretary, Social Services stressed: "We are committing ourselves to an annual review. This is an important innovation."

Earlier, Mr. Meacher said: "We are concerned to include an examination, which we believe was the original intention, and we want to have a regular review, but not necessarily an annual uprating. We say that there can be uprating only if economic circumstances allow it.

"Automatic uprating in line with the earnings rule may be appropriate with basic maintenance benefits—where, in fact, it applies—but it is of a different order of importance for the allowance with which we are concerned."

During the discussion MPs from both sides of the House complained that the sharp increase in petrol prices coupled with the rise in rail fares had put disabled people at a disadvantage, particularly those who received a private car allowance.

Mr. Meacher said this argument was somewhat irrelevant. "The mobility allowance was introduced primarily to benefit many of the most severely disabled people who in the past have received no help at all with their mobility problem simply because they cannot drive."

## Airport policy documents

TWO COMPREHENSIVE consultation documents on the development of airports policy would be published within the next six months, the Trade Secretary, Mr. Peter Shore, said.

He told Mr. Richard Mitchell (Lab. Hitchen) in a Commons written reply that the first document, covering future traffic and the development of airports in the London area, would be published in October.

The second, dealing with the possibilities for particular regional airports, would follow early next year.

# Tories will scrap the Land Community Bill, Lords told

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

GOVERNMENT ASSURANCES on the intended operation of the Land Community Bill met yesterday with a blunt Opposition pledge in th Lords when the Tories are next in power this much-criticised Bill will be repealed.

The condemnation of the Bill by Front Bench Opposition spokesman Baroness Young in the Lords brushed aside Government undertakings that this radical legislation to bring all development land under community control would be exercised with moderation and with "maximum open local Government" to ensure the observance of all the safeguards.

Environment Under-Secretary, Baroness Birk, underlined the Government's intention to avoid the pitfalls which have alarmed critics of the Bill when peers debated it on Second Reading—although it still has to complete its passage through the Commons.

Peers were being asked to debate a phantom or "pseudo" Community Land Bill, Baroness Young said.

Lady Young said the more one studied the Bill the more frightening it became. It conferred wide arbitrary powers on the Environment Secretary and local authorities and so much was left to be defined by regulation.

She warned that possibilities for corruption under the Bill were "almost limitless," and did no share the Government's view that there would be no corruption and hoped the operation of the Bill would be subject to the supervision both of the local and national ombudsman.

## Difference

There were Opposition cheers when she said the Bill represented the clearest difference of philosophy between the Conservative and Labour parties. It was ownership of property that gave people a stake in the community.

"By ownership of property individuals can stand together against the power of the state. Not surprisingly, the first action of a Communist Government is to take away private property and I believe this to be possible under the Bill."

Lady Young warned that despite assurances owner-occupiers might be in danger of losing their homes as a result of the Bill, and that provision of new houses would take much longer and they would be more expensive.

"In every part of this Bill it is the individual who suffers, either from fact or uncertainty."

Earlier, Baroness Birk, said ownership and planning went together like love and marriage: "You can't have one without the other."

A main principle of the Bill is that after a transitional period local authorities will be able to acquire development land at current use value.

Lady Birk said that for planning and ownership to work socially in the modern context the development value of land had to go to the community.

The increased value that development land attracted should go to the people rather than drop into private hands as windfall profit.

## Development

The community had the duty to make land available for development, at the right place and at the right time to meet the people's planning needs. This did not mean that the community had to own all land. It stepped in only at the point of development.

"So the great majority of existing owners and occupiers will not be touched by the scheme at all."

The scheme created a new positive duty for authorities to make land available for development, but it did not mean that they would carry out all development. Land would still be made available for private development.

"There is no truth in the myth that the scheme will lead to a check in the growth of owner-occupation."

## New duties

The new duties under the measure should improve the supply of land for private development. She did not believe the scheme would increase the scope for corruption.

The present situation when at the stroke of a pen a local authority could increase the value of land one hundred-fold, carried far greater risks of corruption than would exist when the grant of planning permission conveyed no value for the owner.

"We are determined that the land scheme should be operated with maximum open local government."

Lady Birk said that debating the Community Land (No. 2) Bill gave peers a chance to debate the principle. It was identical to the original Bill still going through the Commons.

## Miserable

"A more liberal view is surfacing" about the Bill. "Certainly the crazy boom and collapse syndrome in land and property are hardly gilt-edged testimonials to the advantages of the free market," she said.

For the Liberals, Lord Foot attacked the commitment by the Tories to repeal the Act as soon as they were returned to Government.

Reminding peers of the two previous occasions when Labour Land Reform Bills had been repealed when the Conservatives came back to power, he said:

"We have not come to the end of this miserable saga. We are threatened with the possibility that we are going to go through the same old thing again."

Offering general support for the Bill he was critical of the decision to make local authorities the agents for implementing it. The real solution might be to place decision-making at regional level.

# End aid to India, says MP

A CALL for the ending of British aid to India because of recent political developments, was turned down in the Commons by Mr. Reg Prentice, Minister of Overseas Development.

Mr. Teddy Taylor (C., Cathcart) asked if it was fair to ask taxpayers to continue to give a great deal of money to help finance the programme of a country which was "destroying democracy and freedom, and made a nonsense of the rule of law."

In view of recent political developments, he asked Mr. Prentice to consider whether it was wise to continue to give aid.

Mr. John Lee (Lab. Handsworth) also said that he and other MPs had some sympathy with Mr. Taylor's view, although it would not be right or practical to investigate the political purity of all countries which received aid.

Mr. Prentice: "It is not my business, or that of the Government, to determine the policy of other independent countries.

"There are something around 100 countries which receive aid from a number of sources. Many of them are not democracies and many have internal practices of which we might disapprove."

The important questions were whether they needed assistance, and whether they could use the assistance effectively.

Mr. Prentice told Mr. Lee: "I hope you do not suggest we cut off aid to India or any other country because it is pursuing a policy of which we do not altogether approve."



## Magna Carta—£1m. guarantee

THE GOVERNMENT has guaranteed to make good loss or damage up to £1½m. to cover the copy of Magna Carta lent by the British Library to America.

In a Commons written reply, Minister of State Foreign Office Mr. Roy Hattersley said this was in lieu of insurance covering the loan to mark the U.S. bicentenary.

## Varley steel statement

INDUSTRY SECRETARY Mr. Eric Varley will make his statement to the Commons on the British Steel Corporation's closure proposals to-morrow, he said in a Commons written reply.

## Trade mark fee

AN INCREASE in trade mark fees in excess of 10 per cent., is likely to be necessary within the next 12 months, MPs were told.

# Devolution disclosures debate rejected

Mr. Tam Dalyell (Lab., W. Lothian) called for an urgent debate following disclosures in the Scottish press about the Government's blueprint for a White Paper on Devolution.

But the application was turned down by the Speaker, Mr. Selwyn Lloyd.

Mr. Dalyell said that last Thursday night the Commons had debated devolution for seven hours, until 4.15 a.m.

"At precisely this time, and unknown to us, the printing presses of the Daily Record were churning out details of plans alleged to have been developed in the Cabinet Office."

Mr. Dalyell said the plans included schemes for a Scottish Cabinet System, a Scottish Prime Minister, U.S.-style decision-making, Congressional committees, an Assembly at Edinburgh with powers of taxation and powers over the Scottish Development Agency.

It was important and urgent that the commons should be able to debate this before rising for the summer recess, he added.

"If a positive Government denial is not forthcoming, and I very much hope it will be . . . I ask that you might allow some of the time available to return to the devolution issue in the light of new circumstances."

At this point, the Government Chief Whip, Mr. Robert Mellish, intervened to say that the Leader of the House, Mr. Edward Short, "would be making a statement to-morrow" and the application for a debate was rejected.

LABOUR NEWS

# Multiples claim pay plan forbids 13.9% increase

BY LORELIES OLSLAGER

TRADE UNION leaders will be told to-day that a 13.9 per cent. pay rise negotiated for 150,000 employees in grocery retail chains such as Tesco and Fine Fare cannot be paid because the Government has advised that it runs counter to the new pay policy.

The employers will tell representatives of the Union of Shop, Distributive and Allied Trades that the agreement cannot be implemented because it would give the store employees two major pay rises within a period of 12 months.

The agreement, which was concluded in June, was to have come into operation yesterday—four days after the new pay policy took effect.

It is said to run counter to the policy because it advances the date of the usual annual settlement from November to August, which would mean two major pay increases being implemented within a space of 10 months. The date was advanced after USDAW asked for an interim pay rise last spring to compensate its members for inflation. The employers refused an interim, but offered to pay more under a new annual pay deal to come into effect in August.

The deal would have given shop assistants a 13.9 per cent. pay rise across the board, raising minimum weekly rates by £3.45 to £28.25 a week and the maximum by £4.20 to £34.40 a week. Shop Managers' pay would have gone up by between 8.9 and 19.1 per cent.

USDAW officials would not comment on the Government's ruling yesterday before it has been officially communicated to them. The union had hoped to get the deal accepted because the rises it foresees are well within the £6 ceiling and because the next pay rise would follow only in a year's time.

If it has to abandon the deal now, USDAW can be expected to demand the full £6 rise allowed under the pay policy when it is free to negotiate an annual settlement in November. This would add considerably more to the employers' wage bill than the agreement that has now been ruled illegal.

# Scottish & Newcastle Breweries reject £38-a-week wage claim

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

SCOTTISH and Newcastle Breweries yesterday rejected a claim for pay rises averaging more than £38 a week which could seriously embarrass the efforts of senior trade union leaders to win support for the Government's voluntary £6 a week pay limit.

The claim, on behalf of almost half of Scottish and Newcastle's full-time employees, was lodged by divisional officials of the Transport and General Workers Union, whose general secretary, Mr. Jack Jones has led the call for wage and salary settlements to be restrained within the £6 limit.

The company said yesterday that the TWGU's 16-point claim covered 4,200 drivers and production workers both in Scotland and the North of England. The demands were equivalent to an average of more than £38 a week and would cost more than £8m. An increase of nearly 75 per cent. on the present pay bill for that group of workers.

This claim—to replace a wage agreement which expires at the beginning of next month—was rejected. The company has offered to settle within the terms of the Government and TUC guidelines and will resume negotiations on August 15.

## Holidays

Among the demands was an increase of £15 a week on the basic rate for transport crews and an across-the-board supplementary payment of approximately £23 for all internal workers.

The union also sought a reduction from 40 to 36 hours in the working week; improvements in holiday arrangements; an increase from £1 to £5 a week in the allowance for holders of heavy goods vehicle licences; and increases in subsistence and shift allowances.

In addition, union negotiators, who are reporting back to branches, wanted early retirement to be treated as redundancy and severance payments made. They also want all drivers to enjoy the same status as the company's 600 craftsmen who settled for a basic wage rise of £8.50 in April.

A national officer of the TGWU at the union's London headquarters, said that the negotiations were being handled entirely at divisional level. No report on the claim had been received and the union therefore was in no position to express an opinion.

## Union's very own strike goes on

By Our Labour Staff

A planned meeting between striking officers of the Association of Scientific, Technical and Managerial Staffs and the union's national executive failed to materialise yesterday because of disagreement about the meeting place.

A spokesman for the 100 officers, on strike over the manner of a girl trainee officer's dismissal, said they asked for a "neutral venue."

But Mr. Clive Jenkins, general secretary, twice rejected the request, added the spokesman, Mr. Don Groves. The meeting was to have taken place at ASTMS headquarters in Camden Town, North London, but the strikers want the meeting somewhere away from Press attention.

Mr. Groves said last night: "We are available 24 hours a day." There was no comment from Mr. Jenkins's office.

## Swan Hunter pay policy strike to continue

BY OUR SOUTH SHIELDS CORRESPONDENT

SOME 5,000 outfitting and ancillary workers at the Tyne shipyards of Swan Hunter decided yesterday to stay on strike in support of a pay claim that violates the new £6-a-week ceiling. All six Swan Hunter yards on the Tyne are idle because of the strike, which started four weeks ago.

At a mass meeting marking the end of their annual holidays, the outfitting and ancillary workers rejected an offer of £3.50 a week now and a further £2 in January which their negotiators had provisionally accepted last week in an effort to beat the new pay policy which came into force on Friday.

The men are demanding £8.30 a week now and £2 in January, in line with rises granted to the company's boilermakers in June.

Their annual agreement is not due for renewal for another six months, and both the company and the shop stewards have been telling them that their demands cannot be met under the new policy—because they are far in excess of the £6 ceiling and because there must be a 12-month delay between major pay settlements.

Mr. George Arnold, Tyne chairman of the Confederation of Shipbuilding and Engineering Workers, said after the meeting: "It appears we have got a fight on our hands. We will be fighting the Government as well as the company."

Asked what the next step could be, Mr. Arnold said: "We will probably have to try and improve bonuses."

Theoretically, bonuses too should count towards the £6 ceiling. About 5,000 craftsmen employed at the yards are idle because of the strike.

## TUC proposes more aid for Chileans

By Our Labour Staff

THE TUC international committee yesterday decided to step up its support for Chilean trade unionists. It is to appeal to the International Confederation of Free Trades Unions to organise a food ship to help the families of internees and also to organise a trade union delegation to visit the country.

Meanwhile, the Chilean Government has refused to accept a fact-finding mission which the International Transport Workers Federation wanted to send to investigate allegations of repression of Chilean transport workers. An ITF delegation was turned away when it arrived in Chile last December but the ITF claims undertakings were given then that it could return later this year.

## Legal profession 'trailing' with 20% rise in salary

BY OUR LABOUR REPORTER

SALARY INCREASES in the legal profession have been running at an average of less than 20 per cent. over the past 12 months and have not matched those awarded to other professional groups—notably banking and insurance.

This is the main finding of a survey published yesterday by Lloyds Executive which analyses the pay and employment trends of 42 firms of solicitors and legal advisers to leading commercial groups.

The survey found that many solicitors are suffering cash flow problems because of inflation and that over 50 per cent. of the firms covered had been forced to cut their staffs by an average of 10 per cent.

With pay rises averaging 20 per cent., firms reported a sharp narrowing of differentials, with some senior secretaries earning only £250 p.a. less than newly-qualified solicitors.

## Airport men seek MP's intervention

Shop stewards at Heathrow airport, London, have asked Mr. Neville Sandelson, Labour MP for Hayes and Harlington, to intervene in their dispute with British Airways over the application of the £6 pay limit to long-running negotiations. Mr. Sandelson said yesterday he would take the matter up with the Department of Employment once he had received all the facts from the stewards.

# BL letters fail to end strike

BY OUR LABOUR REPORTER

BRITISH LEYLAND failed yesterday to persuade 800 workers at its components subdiary Alford and Alder to end a seven-week stoppage which has now made 15,000 car workers idle and cost more than £15m. in lost production.

After an abortive meeting with shop stewards on Friday, BL sent letters to the strikers over the week-end telling them that Alford and Alder's Hemel Hempstead factory would be opened for normal working yesterday. But by lunchtime fewer than a dozen workers had defied picket lines and reported for normal work.

BL's letters were gambling on a possible revolt by the men against their shop stewards as a reaction to last Thursday's mass meeting, when the stewards' vote produced a majority of only seven in favour of continuing the stoppage.

Management urged the stewards on Friday to bring forward a mass meeting planned for this Thursday to to-day. But the stewards insisted that there was no reason to change the arrangements.

Originally, the 800 workers came out on strike in support of a demand for an interim £10-a-week pay rise, but since the publication of the Government's anti-inflation White Paper they have accepted that their current deal should run its course to the end of September.

But stewards are insisting that there can be no return to work unless the company guarantees that at the end of September it will pay the full £6 rises allowed under the new policy. BL has refused to give this undertaking, claiming that it would pre-empt normal negotiations.

Meanwhile the stoppage is beginning to affect more BL workers. Lay-offs rose from 11,000 to 15,000 yesterday with production of BL's new 18/22 range at Cowley being hit as well as Triumph and Jaguar output at Coventry and Liverpool.

## Miners' safety plea

YORKSHIRE miners' leaders yesterday called for an urgent meeting with the Coal Board to discuss an alleged upsurge in pit deaths this year.

Mr. Arthur Scargill, National Union of Mineworkers' Yorkshire area president, said that, on average since January 1, one miner had been killed in the coalfields every nine working days, giving a total of 16 so far. This was a 120 per cent. increase over the previous year.

Mr. Scargill, speaking after a meeting of the Yorkshire miners' executive committee in Barnsley, said an appeal had been sent to the coalfield's 66,000 men to take extra-special care both on the surface and underground.

## New chief for MATSA

By Our Labour Staff

THE GENERAL and Municipal Workers' Union has appointed a new national officer to look after its white collar section, MATSA.

Mr. Maurice Reed, 39, who has been a full-time union official since 1965, suceeds Mr. Bert Staples who is retiring because he has reached pensionable age.

# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ENERGY

# Finding where the power goes

RUBBER and Plastics Research Association (RAPRA) is taking part in the national investigation into the efficient use and conservation of energy by industry. It has instigated a system to study both complete factories and individual processes which is designed to determine the effectiveness of energy usage within the rubber and plastics industries.

The need for conservation and optimisation of the use of energy has become essential as a result of the enormous increase in the costs of fossil fuels such as oil and coal. Vast quantities of energy are consumed in the developed industrial countries and the figures for the U.K. for 1972 when total consumption was over 8,000m. Gigajoules illustrate the point.

The cost of producing and distributing electricity in terms of energy is nearly a quarter of this and significantly larger than either transport (30 per cent.), or commerce and agriculture (85 per cent.). Thus electricity usage must form an important part of any energy studies.

In the industrial sector NEDO have used the "Input-output tables" from the Stationery Office "Studies of official statistics No. 22" of 1973 to derive a list of the most energy intensive industries out of the 85 listed. These are divided into medium- and low-energy cost groups containing 25, 30 and 30 industries respectively.

In the high energy cost group plastics and rubber synthetic raw materials are ninth, plastics products 22nd and rubber goods 25th and therefore rubber and plastics must be given study priority.

These facts have provided the impetus for RAPRA's study which involves a preliminary questionnaire to establish the need for an on-site investigation, followed by co-operation with the company concerned to set up the appropriate equipment. Energy use measurements related to the throughput of the plant or process will then be made to enable a picture of the energy balance to be determined which will highlight those areas having a high energy intensiveness and indicate possible points for energy conservation and cost reduction. By repeating such investigations at intervals, the change in efficiency due to machine wear or other process changes can be followed.

Further details of this service from: Mr. A. E. Eagles, RAPRA, Shawbury, Shrewsbury SY4 4NR. Shrewsbury 383.

## SAFETY

# Revealing chlorine

AN ELECTRICAL detection method is used in a compact chlorine gas detector from Portacel, avoiding the need for regular replacement of chemical reagents.

Control unit of the Series 63 Detec measures only 440 x 215 x 200 mm. and it is able to monitor the atmosphere at two separate locations using remotely mounted sensors giving easily seen indications at the control unit.

The system's sensors work on the principle of changed ionisation conditions due to the presence of minute traces of halogen between two electrodes. Two levels of gas alarm, one to two parts per million and three to four ppm are incorporated and fail-safe features are included in the design.

Basic price of the system is £500; it is economical in use, there is nothing to replace and installation costs are small.

Applications are likely in the chemical, textile, paper-making and food manufacturing industries, particularly with the possible tightening of regulations about the use of chlorine in factories.

Final stages in the manufacture of a large Karbate heat exchanger at British Acheson Electrodes in Sheffield. This unit, the largest of its type to be built in Europe, measures 8.25 metres (27') in length, 1.5 metres (5') in diameter and embodies almost two miles of 38 mm (1½") bore, 50 mm (2") o/d graphite tubing. The heat exchanger has been manufactured for Albright and Wilson's new plant at Whitehaven, where it will be used to concentrate phosphoric acid. Graphite was chosen as the construction material because of its ability to resist corrosion attack from phosphoric acid and its extremely good heat conductivity.

## DATA PROCESSING

# Visual unit for word processor

A CATHODE ray tube display unit has been added to the word processing system made by Wang Electronics as an optional extra. The company claims that the unit provides a system with the advantages of purely screen-based systems but at about half their cost.

Existing users of Wang's 1222 typewriter-based word processing equipment can add the VDU facility for £1,275, and the original system will continue to be sold at £5,390.

Main advantages of the screen are speed, productivity and convenience for the typist, and there are many areas of application.

For example, a tender document, which has to be finally perfect, can be typed at speed and the inevitable errors corrected, or wording changed on reflection by the executive, simply by recalling the text from tape.

Any line can be brought up on the screen by keying its first two characters. A cursor can be moved to the words to be corrected, new words can be keyed in, and all is recorded back on the tape. The final version is then played back on to paper.

Recall to and correction on the screen is faster than using the typewriter alone and productivity is improved.

The compact nine-inch screen unit displays 100 characters on two lines. The operator is shown exactly what is being typed line by line and since each word, line, correction or control code is visible the operator learns system procedures quickly and simply.

# Five second car finder

BMW HAS installed a Sanders display terminal system which enables it to locate cars throughout the United Kingdom, often within five seconds.

With the new system, if a customer walks into any dealer wanting, for instance, a red coupe with black trim, tinted glass, sunshine roof and heated windows, the location of such a car may be established within seconds.

Comprising an 8170 interactive terminal with three displays and a 165 cps printer, the Sanders system has been installed at BMW's head office in Brentford, West London. Controlled by a new teleprocessing software package, Shadow II written by Altergo (Software), the terminal is linked in real-time to an IBM 370 central computer in Dover.

As each new car leaves the Munich factory and proceeds through BMW's depots in Calais and Dover to any one of 180 U.K. dealers, full descriptive and location details are fed into the central computer and regularly updated.

Any dealer wishing to locate a specific car merely phones the requirements to head office which, using the Sanders terminal, can locate all the cars answering the description by accessing the central file in Dover, the required details being called to the display within five seconds. The operator may then use the terminal to generate the necessary paperwork to transfer or re-route the appropriate vehicle.

BMW may also use the system to access service and ownership details on cars already sold, and to display daily dealer stock and order information. Using the 165 cps printer, monthly hard-copy management reports may be produced concerning all aspects of car movements and sales. BMW is now considering possible ways to enhance further the system by installing interlinked Sanders interactive terminals at Dover.

BMW House, 991, Great West Road, Brentford, Middlesex. TW8 9ED. (01-568 9155.)

## ELECTRONICS

# Continuity tester

ACT I was designed specifically to perform both continuity and anti-continuity tests at the rate of 20,000 tests per second. The ability to detect high impedance short circuits of up to 20 K.ohms makes it suitable to check out back-planes, mother boards, multi-layer boards, cables and wirewrap boards.

The basic unit consists of a tape reader, a control panel, and error display—and electronics to test 1,280 points. This is easily expandable at any time to 10,000 points in increments of 128 points.

Ruggedly built and completely mobile, a self-testing feature is standard while self-programming and high voltage features are optional.

Paper tape input is unique to the unit under test. Displays include test point, error point, signal number, manual or automatic search.

Davian (Electronics), 54 Cardigan Street, Luton LU11RR (0582 411945).

## PROCESSING

# Economical sealing

ADHESIVE systems produced by Pafra of Basildon, Essex are now being used on case sealers and cartoning machines by Procter and Gamble, the soap and detergent manufacturer at its West Thurrock factory in Essex. In addition to being economical, the Pafra system is totally enclosed and extremely clean.

According to Pafra the units can be tailored to meet any specific machine and/or case requirement. Thus only a minimum amount of sealing is made for the handling required in subsequent distribution. For example, on a standard case it is sufficient to apply only two bands of adhesive 12mm. wide and 75mm. long, applied at the flap ends.

With a guaranteed yield of over 1,000 metres of 12mm. wide line per Kg of adhesive case sealing costs can be accurately compared with other systems. Even against cold glue jetting systems also using a PVA, in many instances 20 per cent. adhesive savings have been found, and much greater savings have been found with open glue bath conversions to the Pafra method. Furthermore on jetting systems using dextrine adhesives the economies have been such that lower sealing costs have been proved using the more expensive (per kilo) PVA adhesive.

The Pafra system is clean because adhesive *is applied only* when the head is in contact with the case flap. No cleaning out of the system is required after shifts or over week-ends, and any maintenance is simple and fast. There are no diaphragms to leak in the system. Reliability is ensured because the valves are non-blocking and separate from the control system.

Pafra, Bentalls, Basildon, Essex SS14 3BU. Basildon 3351.

# Keeps steel scrap from doing harm

OIL PIPELINES are regularly cleaned with pigs—round brush-type scrapers which are driven through the line by the pressure which moves the petroleum products. As these pigs move through the line, cleaning the inside of the pipe of sediment, mill scale, corrosive particles, welding beads and shot left over from shot-blasting operations, their tiny steel bristles often break off.

Although these bits of bristles are so small and few in number that they present little danger to pumps and impellers, they still can easily foul the highly sensitive control devices that adjust pressure to maintain flow rates.

Tube-ring magnets, by Eriez, installed on the suction side of the pumps, catch and retain these tiny bristles, despite the high flow rates in the pipe.

The magnets consist of non-magnetic stainless steel tubes fitted around a series of circular ring supports which can be slid into position inside the pipeline; a powerful permanent magnet is housed in each of these tubes, providing the most effective method of protecting the control instruments.

Magnets of this type are available in a variety of sizes, and design details are available from Eriez Magnetics-U.K., Wilson Industrial Estate, Caerphilly, Mid-Glamorgan CF8 3ED, Wales. Caerphilly (0222) 868501.

# Quick-loads and retains the heat

ROTARY OVENS introduced by Hedinair are intended for use on continuous production work involving loading and unloading at frequent regular intervals. They eliminate the excessive heat losses and fatigue associated with frequent opening of conventional box oven doors.

Rotary ovens require only one operator, little floor space and no loading trolleys. They can be used for most types of drying, baking and stoving, but are especially suitable for pre-heating components in plastic coating and heat-shrinking.

The oven consists of a circular hearth inside an insulated chamber which is heated by forced air circulation. The hearth is indexed round by timer or push button. Shelves, hooks or jigs are fitted on the hearth to suit the load. An air curtain seals the loading aperture but allows continuous access. Hearth sizes are from 30 to 72 inches and heating, by electricity or gas, is up to 450 deg. C. The company is at 2, Whalebone Lane South, Dagenham, Essex (01-593 7221).

## METALWORKING

# Control of ingot quality

LEYBOLD HERAEUS method of electro-slag remelting involves a low-frequency (0 to 10 Hz) current passed through one or more electrodes, which are melted at the slag interface to form the actual ingot.

Each electrode may weigh 12 tons, but may have to be replaced several times before the ingot is complete. The ingot itself, of up to 165 tons weight in a new range of plants offered by Leybold Heraeus, can have a diameter of 1,000, 1,300, 1,700 or 2,300 mm, and a maximum length of 5,200 mm. It can be drawn vertically, in a manner reminiscent of semiconductor crystal-pulling, or the carrier can be lowered to give effectively the same result.

Controlled solidification achieved in this way produces a uniform ingot structure with fewer defects such as ingot segregation, porosity, non-metallic inclusions, and shrinkage piping at the top of the ingot.

Up to four 12-ton electrodes can be used simultaneously in the Leybold plant, with arrangements for replacing electrodes while melting is in progress.

Remelting by immersion in the high temperature slag increases the rate of exchange reactions, such as desulphurisation, with the steel.

Controlled metallurgy and controlled solidification give a high-grade steel with a much smaller possibility of faults that would lead to rejection. Because the chemical composition can be controlled and reproduced within tight limits, the ingot surface is improved and the density, ductility, homogeneity and purity of the metal is better than has been possible with cast igots. This improvement in turn leads to many fewer ingot rejects, and the capability of remelting satisfactory raw ingots of 33 per cent. less final weight.

Leybold Heraeus, 173 Greenwich High Road, London S.E.10 8JA (01-858 1127).

## INSTRUMENTS

# Miniature motors

INEXPENSIVE smooth-running motors for use as synchronous time bases and drive units in timing, switching, impulsing and recording mechanisms are offered by Smith Meters, 170, Rowan Road, Streatham Vale, London SW16 5JE (01-764 5011).

Designated "Switchmaster," these miniature synchronous motors run very quietly, have low vibration levels and are virtually free from cogging (jerky motions due to commutation systems).

They are self-starting and rotate only in the chosen direction with no objectionable mechanical noise. A conventional frame size of 47 mm diameter by 19 mm overall makes for easy interchangeability. Fixing is by clip or three screws. Output speeds of 500 and 250 rpm at 220-240 V 50 Hz are standard, with respective drive torques of 15 and 5 gm-cms.

## PRODUCTS

# Automatic newspaper vendor

FOLLOWING A year's trial of prototypes, Associated Newspapers has completed development of a mechanical newspaper dispensing machine.

Each paper is supplied by a pull on a lever, after insertion of a single denomination coin—currently 10p. Change is automatically supplied. Coin acceptor and change mechanism can be adapted for almost any coin, making the machine suitable for most countries. Coins are rejected when the machine is empty.

Bulk loading can be direct from delivery vans, or by a newsvendor controlling several machines. Loading takes a few seconds. The machine will handle tabloid or broadsheet newspapers to a maximum of 12½ x 17 inches, and 3,000 sheets—about 150 40-page tabloid.

Height is 44 inches, width 26 inches and depth 15 inches and the machine can either be bolted down, or carry 200 lbs ballast in the base.

Full production is expected by the end of the year at about 200/300 month, and the machines will cost around £250 each. The vendors will be used initially only for the company's own newspapers, but they will be exported and overseas production may be licensed.

Enquiries to Astrex (U.K.), Carmelite House, London EC4Y 0JA (01-353 2520).

## POLLUTION

# Keeps the dust down

DUST COLLECTION units that are entirely self-contained and can be readily switched from one work location to another are offered by Newman Industrial Sales, Upper Mills Industrial Estate, Stonehouse, Glos. (045382 3771).

Called "Filterdust," the units use flexible ducting so that they can be floor-mounted, slung from a ceiling, fixed to a wall or mounted on castors. One unit can serve more than one work station by fitting multi-manifold ducting.

Sufficient air velocity prevents settling in the ducting, and its reduction on entering the unit allows heavier particles to fall into the hopper. Cylindrical filter bags then remove the dust and clean air passes out through a top-mounted centrifugal fan.



## BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

# The Executive's World

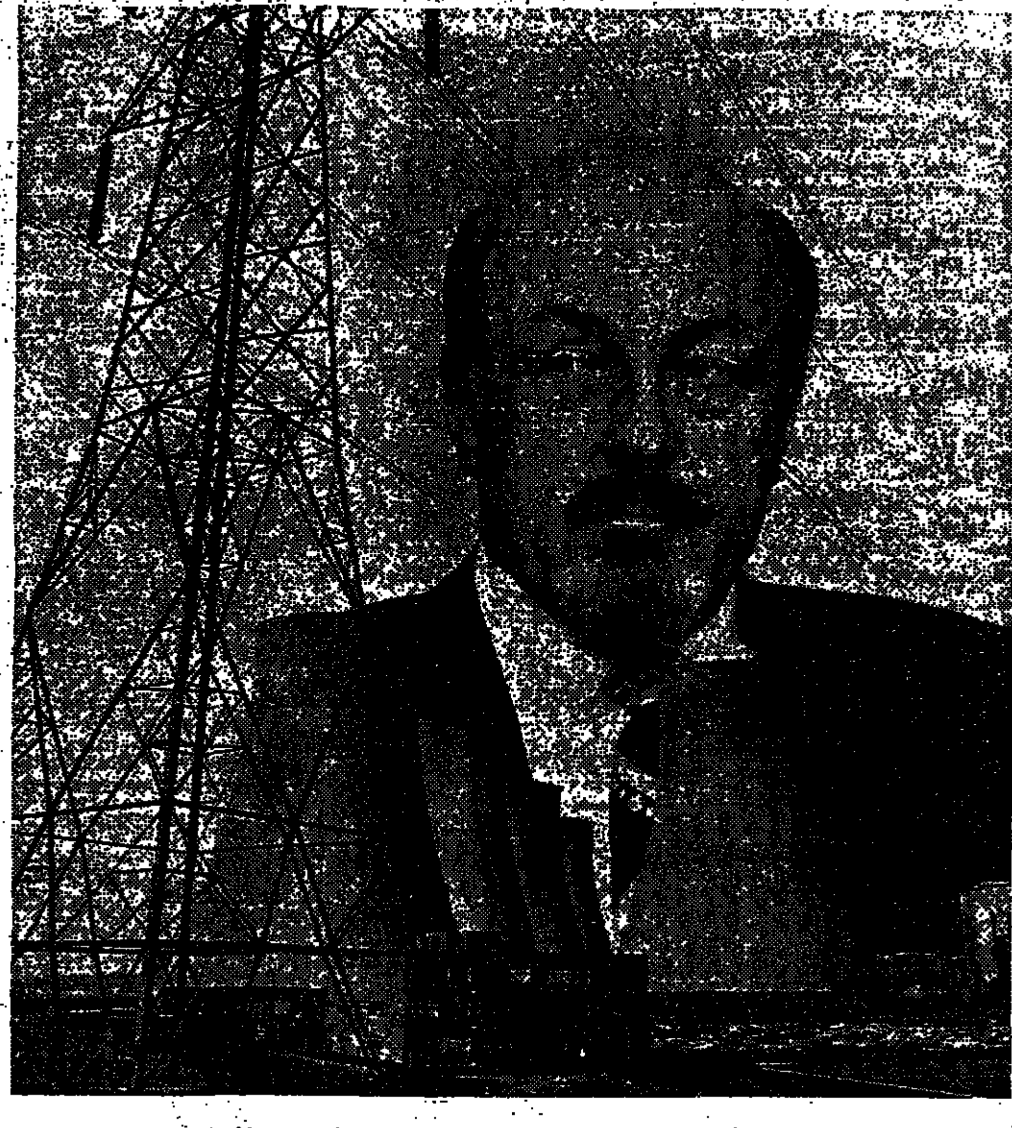
EDITED BY JAMES ENSOR

Peter Foster describes the problems of Arthur Hawkins in running Britain's biggest business, in capital terms

# The most vulnerable of the nationalised industries

WITH CUMULATIVE increases of 87 per cent. in domestic and 48 per cent. in industrial tariffs since March, 1974, the electricity industry would seem to have set about implementing the Chancellor's directives to "realistic" pricing with a vengeance. And yet its loss of £257.6m. for its last financial year comes as one of the worst results among a particularly uninspiring bunch of nationalised industry figures, with only British Rail and the Post Office producing bigger deficits.

Nevertheless, the fundamental nature of the electricity industry has made it the most vulnerable of all nationalised industries to the U.K. prevailing climate of economic uncertainty. Its power station ordering programme depends on demand projections for seven or eight years in advance, so, at a time when demand estimates made just a year or 18 months ago are proving wildly optimistic and there is even a 7 per cent. difference between the estimates made by the Electricity Council and the Central Electricity Generating Board for maximum demand this coming winter, it is perhaps not surprising that uncertainty reigns and the CEGB has found itself with excess generating capacity on its hands.



Mr. Arthur Hawkins was forced to cancel orders for two large oil-fired power stations.

## Demand

On the basis of the Electricity Council's most recent estimate, demand for 1981-82 is expected to be around 54,000 MW, a 7,700 MW drop on projections made only last year. This has inevitably led to an axing of the CEGB's capital investment programme and the recent announcement by the board that there would be no need to order coal or oil fire powered plant before 1978, which meant the scrapping of this year's planned orders for two large oil-fired stations at Killingholm, Lincolnshire and Inswork Point in Cornwall. Although last year saw a recovery in demand from the industry's three largest industrial consumers (steel, chemicals and engineering) the CEGB is estimating that its total output will fall this year from 213 TWh to 205 TWh.

Electricity is a highly capital intensive industry and until fairly recently there has been a tendency for capital costs to represent an increasing proportion of total costs. However, this situation has changed sharply over the last two years as the generating board has been faced with unpredecented price rises in its principle primary fuels, coal and oil. The CEGB's total fuel bill rose last year from 1973-74's £700m. to £1,200m. It is likely to reach £1,500m. in the current financial year. The National Coal Board's three increases since April 1974—which total 130 per cent.—mean that the CEGB's coal bill will have risen by £550m. in a full year. With two-thirds of the CEGB's capacity still coal fired, the price implications have been all too obvious.

Despite the Government's commitment to economic pricing, a commitment which the Chancellor reasserted with extra force for the energy supply industries in November, the necessary increases have proved far from politically acceptable.

Since 1970 price restraint had been applied with growing discriminatory rigour to the nationalised industries — which meant that the price re-adjustments of the last year became all the more painful. Although the compensation provided under the Statutory Corporations (Financial Provisions) Act 1974 has served to shift the financial burden of unrecovered costs away from future users, it has left the industry with lapsed targets and the necessity for much greater subsequent increases merely to keep pace with rising costs. Meanwhile the clamour for more realistic depreciation provisions under the various methods of inflation accounting now been studied by the Government would imply further increases for the consumer in order to keep up with adjusted financial objectives.

No sooner had Mr. Healey announced his worthy economic aims last year than the Government started to draw away from the political implications of the policy. The social impact of energy price increases became an object of clear concern and Government representations to the industries concerned led to a weighting of tariffs in favour of the smaller consumer.

This is a policy which is opposed by both the Department of Energy and the supply industry on the grounds, firstly that smaller does not necessarily mean poorer, and secondly that when hardship does occur, subsidies should be directed towards the individual rather than the goods supplied.

Despite this there has been continued interference, on political grounds, with the industry's attempts to achieve realistic pricing policies. Within months of Mr. Healey's statement in his March, 1974 Budget, the Government made clear that fuel cost adjustment—the process by which higher coal and oil prices can be passed on—would not be automatic, although its application to domestic customers from the middle of last year did mean greater flexibility in the area boards' pricing policies.

The use of the nationalised industries as the cat's paw to pull the Government's inflationary nuts out of the fire was dying hard. The decision to raise night storage rates by the full amount of the additional fuel costs was reversed, although here the Government might with some justification claim that it was acting out of good faith rather than political expediency.

## Pricing

Within the overall question of price inflation, the issue of differential pricing has not been neglected. Indeed, the enormous price increases of the last year or so have meant that the importance of users paying the marginal costs of the energy they use has been increased. At the beginning of this year the CEGB announced a new form of bulk supply tariff—which determines how much electricty Boards pay for the wholesale supplies which they buy from the generating Board—featuring: more punitive rates for peak consumption, when uneconomic plant has to be brought on stream to meet marginal demand; lower prices for a "block" of off-peak units, and a much higher base price for fuel. The adjustment of the base fuel price was the most obvious move, since, if the CEGB had not increased it from its old level of 425p per tonne to 1,430p. half of the Board's revenue in the current financial year would have been derived from FCA. However, the "price message" was contained in the differential rates, which served to punish peak consumption and even off-peak consumption above a certain level.

Among the many problems being faced by the industry, that of projecting the relative costs of primary fuels is proving to be one of the most thorny. In a way the sharp reductions in demand estimates serve to lessen the problem since, if no new capacity has to be planned then no choice has to be made as to whether it should be oil or coal burning. The industry has, not surprisingly, been increasingly sensitive about the flexibility of its fossil fuel burning capacity over the last few years following both oil and coal supply disruptions. "Warnings"—most specifically about the implications of further large increases in miners' wages—have come more than once this year both from Mr. Arthur Hawkins, head of the CEGB, and Sir Derek Ezra, chairman of the Coal Board.

But although the CEGB's estimated fuel consumption this year is expected to fall by around 6 per cent., the entire cut will be borne by oil. The Board in fact intends to increase its coal burn to 66.9m. tonnes, compared with 64.8m. tonnes in 1974-75.

Coal stocks are currently 16.4m. tonnes, which is some 4m. tonnes above the requirement under EEC regulations for 50 days' supply but the NCB is pressing the CEGB to raise this to 18-20m. tonnes. Since this would involve tying up around £9m. in additional stocks, the generating Board is understandably negotiating hard for financial assistance from the NCB. As the CEGB points out, since it is working very close to margins, £9m. could easily make the difference between breaking even and being in the red at the end of the current year.

Despite the CEGB's emphasis on flexibility in its use of fuels, the continued political and economic uncertainty attached to imported oil combined with delays in the North Sea programme are likely to keep the CEGB well committed to coal, a commitment which is likely to be cemented in the coming months by either a further round of oil price increases, or a renewed Arab-Israeli conflict, or both.

## Nuclear

Although it is still planned to give the first of the new generation of Steam Generating Heavy Water Reactors the go-ahead next year, the capital costs of a major nuclear programme, given the lowered demand projections for electricity, could prove prohibitive, whatever the longer term arguments either in terms of efficiency or security.

The long anticipated national energy policy—which Mr. Wedgwood Benn's new role as sponsoring minister, given his track record, might bring closer—could in fact lead to even stronger ties between the coal board and the CEGB. However, given the enormous discrepancies in projections over the last 10 years the difficulties of lumping not just one but all the energy industries together under some form of planning umbrella looks something more than formidable, even for Mr. Benn.

BUSINESS LAW

# What's good for Canada

THE CANADIAN Foreign Investment Review Act, passed last year caused concern particularly across the 49th Parallel. Still, the Foreign Investment Review Agency recently had to remind prospective investors, demanding assistance, that its job is not to help the investor but to see that foreign investments benefit Canada.

But judging from the information released by the Agency on 36 cases which it decided in the past three months it does not wield its powers too harshly. Indeed, it may sometimes help investors by making them more welcome and better integrated.

Any foreign investor proposing to take over an existing, sizeable Canadian business enterprise, or to establish a business unrelated to his existing Canadian operation is required to register with the Agency. Though some general guidelines were issued before the Act became operative, the real impact can best be gauged from its decisions. Of the 36 reported proposals six were definitely rejected. The rest were approved, though in some cases only after the investors agreed to modify their projects so as to increase the benefits for Canada.

There are 10 tests which the Agency applies to proposals, of which one, compatibility with Canadian economic policies, was passed by all of the 30 approved projects. The test of increased employment was passed by 26, and that of new investment by 24. Improved productivity and industrial efficiency was successfully claimed for 23 projects and increased use of Canadian resources, parts or services by 18. Canadian participation featured in half of the approved projects, while 13 projects were found to improve product variety and nine to enhance technological merits. Only two of the 30 approved projects promised additional exports.

Only two proposals, that by Marks and Spencer and the other by GWS-Krupp Industries made the full 10 points. One, submitted by Easton Holdings, was approved though it had no further merits beyond being compatible with Canadian economic policy. Most proposals passed five to seven tests.

## Top marks

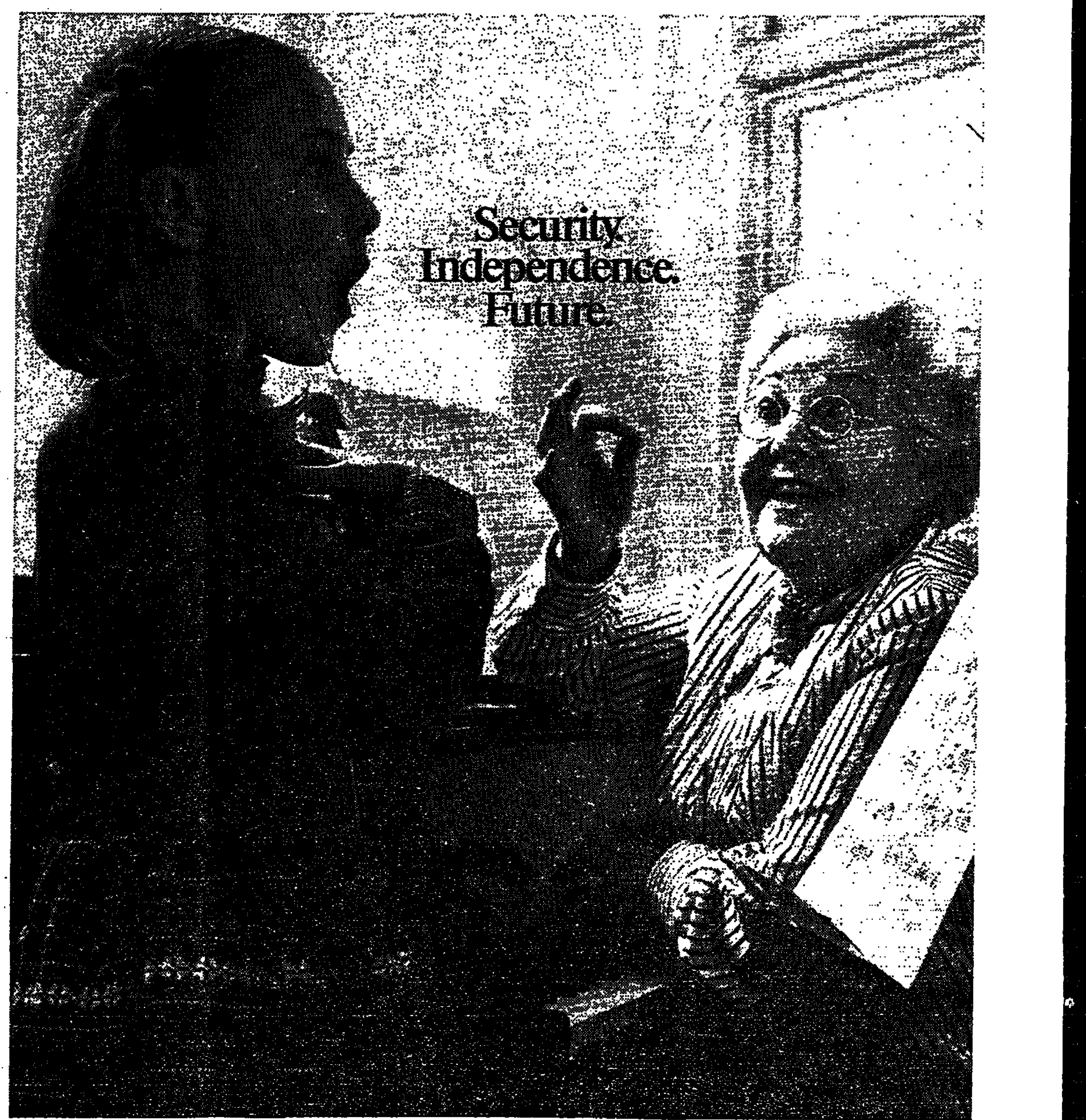
One can be hardly surprised that the Marks and Spencer's proposal to acquire Peoples Department Stores obtained the top marks. It undertook to open at least 25 new stores within the next five years and to ensure a high Canadian content in them. It promised to encourage the development of new yarns and fabrics by Canadian manufacturers and to promote exports of "St. Michael" products from Canada. It will set up a research group in Canada and give preference to Canadians at all levels of employment. The majority of the Boards of directors of Peoples and its subsidiaries will be resident Canadians.

The other, Friedrich Krupp of Germany, has also promised much more than merely spending $C1.75m. within three years of acquiring a 50 per cent. share in the Edmonton Structural Steel plant from the Great West Steel Industries. The capacity of the plant should be doubled by 1978 and it will get from Krupp an exclusive licence to market mining and material handling equipment in Alberta, British Columbia and Saskatchewan and a non-exclusive licence for the rest of Canada.

The runner-up, with nine out of 10 possible merit points, started badly. The first proposal by Bestpipe (controlled by Rocla Industries of Australia) had been rejected on February 6, 1975. They only made the grade by additional undertakings which include the installing of plant for making of pre-stressed concrete pressure pipes at the plant of Vibrapipe Concrete Products whom they proposed to take over. They will also make their Rocla cage welding machines, concrete railway ties, establish a research and development department and increase employment by 30 per cent. Their five year investment programme will cost about $C4.5m. and within three years 20 per cent. of Bestpipe's voting shares will be made available to Canadians.

A. H. HERMANN





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BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883597

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. ........ 785321
Edinburgh: 18 Hanover St. .. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
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Bonn: Pressehaus 11/104 Heussallee 2-10 222596
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Rome: Via della Mercede 55 .... 678 3314
Madrid: Calle Ayala 5, Madrid 1. Tel: 275 4000
Stockholm: [illegible] 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, N.Y. 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 255 Ont. 6 Charles St. E. 416 921 5575
Jo'burg: 637 Union Centre East Building, Harrison Street (cnr. Pritchard St.), Johannesburg. 838 7909
Sydney: 364 Sussex Street (Cnr. Liverpool Street), Box 3888 GPO 2001 Tel: 619 577, 618 773
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku Tel: 241 2920

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TUESDAY, AUGUST 5, 1975

# Exchange rate dilemma

THE PERFORMANCE of the pound in the foreign exchange markets yesterday provides a good illustration of the dilemma which the monetary authorities are at present facing. Last week closed with the immediate outlook for interest rates apparently much more settled. There were no further increases in prime lending rates announced by U.S. banks on Friday and a slight fall in our own Treasury bill rate left the Bank of England's minimum lending rate unaltered after its sharp rise of the week before. Moreover, the new long-dated tap stock announced on Friday afternoon was pitched on terms which confirmed the stronger tendency of the gilt-edged market after its recent upheaval.

The longer end of the market was firm again yesterday, and *the official statement of the* reserve position at end-July showed that, after allowance for borrowing by public sector institutions under the exchange cover scheme, there had been almost no net change in the size of the foreign exchange reserve during the month. The decision to raise minimum lending rate sharply towards the end of the month, therefore, does not seem to have been due to any large or sudden withdrawal of overseas funds from London.

Yet sterling continued to drift slowly down yesterday. It drifted down, to be more precise, not against other currencies in general but against the U.S. dollar, which has itself for some time past been growing stronger against other currencies in general, including sterling.

### *Dollar strength*

The reasons for this improvement in the standing of the U.S. dollar are not far to seek: there has been an all-round though gradual improvement in the economic situation. First, and contrary to earlier expectation, there has been a dramatic improvement in the U.S. foreign trade balance — due largely to the destocking of imported goods in general and lower imports of petroleum in particular—which is at present in quite substantial surplus. *Second, the signs that the recession* has touched bottom and that a slow recovery has begun are now becoming more numerous. The latest indicator of this is a marked decline in the unemployment figures for July, confirming what is probably a more significant rise in actual employment during the second quarter.

Third, there is the recent rise in U.S. interest rates, which has immediate repercussions in international financial markets but about which there are widely opposed views. The more pessimistic view is that the Federal Reserve, determined to prevent a renewed outbreak of inflation, will allow the money supply to tighten and interest rates to rise as the economy picks up and private borrowing demand is added to that of the public sector. The more optimistic is that the Fed is pursuing a long-term policy on the permitted growth of the money supply and that recent rises in short-term interest rates reflect a temporary reaction to a temporary situation, which should soon be reversed. Fourth, the general tone of the exchange markets may well have been affected by the announcement of a financial summit to be held in September to plan, under U.S. leadership, a concerted international attack on recession and unemployment.

### *Hot money*

The dilemma for the U.K. monetary authorities is that they would like to see the sterling exchange rate against other currencies in general reflect the relative rate of inflation in this country and the consequent loss of export competitiveness; on *the other hand, they do not* wish to see the pound depreciate too much against the U.S. dollar for fear that this might cause a transfer of short-term balances, especially those held by the oil-producing states, from London to New York. While the U.S. dollar continues to forge ahead against other currencies in general, however, these two aims are incompatible —hence the sharp rise in minimum lending rate ten days ago. While any internationally-concerted plan to stem the growth of unemployment would probably not only be of special help to the U.K. economy but also ease the pressure on short-term interest rates, the presence of these volatile funds may continue to create difficulties for domestic economic policy, and some means of funding them may eventually have to be considered.

# Mrs. Gandhi and the rule of law

MRS INDIRA GANDHI yesterday introduced a series of constitutional amendments to nullify the remaining opposition to her staying in power as Prime Minister of India and to complete her stranglehold of what she still calls a democracy.

There seems to be no way in which Mrs Gandhi will fail to be absolved of her High Court convictions for corrupt election practices. She has huge majorities in both houses of the Indian Parliament, which have become even greater with the walkout of the entire opposition that is not behind bars. The move, and particularly the method of passing retroactive legislation, seems to give the lie to the Prime Minister's claims that she is not interested in power for her personal ends, but it was nicely timed.

### *Irrelevant*

Some MPs of her ruling Congress Party have been unhappy with the way Mrs. Gandhi was playing with the law to suit her own ends: so were a larger number of Indians. But they kept silent when the emergency was declared and thousands of their countrymen arrested because they said: "Let us see what happens when the Supreme Court has passed its verdict; perhaps things will be different then." But when the legislation has gone through *the Supreme Court* judgment will be irrelevant.

In the meantime Mrs. Gandhi has used the time to close all the ordinary methods of protest or dissent. But when it comes to the vote the doubting Congress MPs will all step into line and tell themselves that the offences were really trivial and will absolve their Prime Minister. And many honourable Indians will tell themselves that the alternative to Mrs. Gandhi would be chaos and that in any case democracy as practised in India was clearly not working.

### *Powers*

Two points can be made about the democracy that Mrs. Gandhi has adjusted so that she can stay in power. The first is that she has been careful to use to the full the constitutional powers given to her in case of emergency, though she has also acted with total disregard for the spirit of the constitution. The emergency was declared and later ratified in strict accord with the constitution. The second is that she has left no apparent democratic way in which she can be struck down. It seems doubtful whether India will in the foreseeable future see anything like the free elections that it has known in the past.

Mrs. Gandhi's supporters have said that things will now be completely different and that the Prime Minister will be free to fulfil her election promises and start to abolish poverty. It would be nice to think so. But it is essentially the same corrupt and inefficient system with which she is operating.

Moreover, Mrs. Gandhi's methods, the more than 50,000 arrests, the silencing of the Press, the fear instilled into anyone who dares to criticise, have imposed a terrible price. It is something that Mrs. Gandhi may come to rue, as she has forced opponents to seek extraconstitutional remedies for bringing her down.



U.K. companies have been cutting back their farm machinery operations. **Kenneth Gooding** reports

# North America's rich harvest down on the farm

THE FARM machinery industry prides itself on its export performance, but two recent events show how vulnerable to international competition the British-owned sector of the industry is. First, Marshall-Fowler, the T. W. Ward subsidiary, has decided to stop manufacturing crawler tractors, making 1,000 employees at its Gainsborough and Leeds factories redundant. And second, Ransomes Sims and Jefferies has stopped producing combine harvesters; apart from Massey-Ferguson's Scottish factory, the bulk of this market is now supplied by imports.

Both companies had discovered that they needed to make very major changes to the affected operations if they were to have any chance at all of competing internationally with the big North American farm machinery groups. Marshall-Fowler, for example, found that its crawler tractors were right in the main stream of demand which, ironically, was the wrong place to be. The kind of output Marshall-Fowler could sustain was more suitable for a small, specialised part of the market. Its main competitors were Massey-Ferguson and International Harvester, which had all the benefits of long production runs and a world-wide marketing operation of a type barred to Marshall-Fowler.

A Ransomes Sims and Jefferies machine at work on the barley harvest in Hampshire: now Ransomes has ceased harvester production, and 75 per cent. of the U.K. market is met by imports.

**TRADE IN FARM MACHINERY (£m.)**

| | January-June, 1975 | | | January-June, 1974 | | |
|---|---|---|---|---|---|---|
| | Imports | Exports | Balance | Imports | Exports | Balance |
| Tractors | 12.6 | 143.4 | +130.8 | 9.6 | 90.9 | +81.3 |
| Other equipment | 42.9 | 54.4 | + 11.5 | 37.6 | 38.0 | + 0.4 |
| Of which harvesting, threshing & sorting machinery | 32.6 | 32.2 | — 0.4 | 29.1 | 20.7 | — 8.4 |

*Although the overall trade balance in farm machinery has improved this year, it is still overwhelmingly dependent on tractors, a sector where all the U.K. producers apart from British Leyland are subsidiaries of North American concerns—Massey-Ferguson, Ford, International Harvester, and David Brown (Tenneco). The main source of imports of harvesting, threshing and sorting machinery is the remainder of the EEC—and West Germany, Belgium and France in particular.*

## Just not prepared

Its parent, Thos. W. Ward, admitted that losses of more than £2m. (before tax relief) had been sustained during the past three financial years and that the business had never generated the funds necessary for the modernisation of facilities and for investment in new products. Ward was, it seems, just not prepared to put in the large amount of capital, and then to make the product changes, needed to revolutionise Marshall-Fowler's operations.

Ransomes could actually put a figure on the investment it needed to build up its combine harvester business to the kind of scale necessary to match with its main competitors. In 1969 it had asked for £500,000 from the Government for the long-term expansion of this part of its operations. Mr. Geoffrey Bone, the managing director, recalls: "We could not ourselves in 1969 risk a £500,000 investment in addition to other commitments and *for* that reason we asked the Government for help. It was then foreseen that, if that help was not forthcoming, Ransomes would in due course have to cease combine harvester pro*duction*."

The then Minister of Technology, Mr. Anthony Wedgwood Benn, decided against direct investment in the Ransomes' project and offered a loan instead. This was refused. The cash was needed because Ransomes, like Marshall-Fowler, had to get much bigger in the manufacture of combines if it was to compete effectively. Ransomes was making only two types of combine, whereas its two main international competitors offered a full range. The U.K. company had the know-how but it was in the end reluctant to find the investment necessary.

The crunch had come for both Marshall-Fowler and Ransomes because the U.K. market had at *last reached saturation point.* Future growth depended mainly on exports.

Here, Marshall-Fowler was up against the big North American manufacturers, while Ransomes had to expand its range of combines to match those provided by CLAAS, of West Germany, and New Holland, the British offshoot of the U.S. concern, Sperry Rand. So both Thos. Ward, Marshall-Fowler's parent, and Ransomes decided they would rather concentrate their efforts on other parts of their businesses.

These examples illustrate quite clearly the differences between the two types of farm machinery manufacturers operating in *international markets.* There are the "full line" groups, all of them North American, which offer a complete range of key items of farm machinery—tractors, combine harvesters and balers are the most important. These groups are interested only in those things for which there is a really big international demand and from which they can get the economies which go with manufacturing in large quantities. And then there are the "short line" manufacturers, specialising in products which do not need really big volume production.

## Manufacturing facilities

Where the U.K. has been fortunate is that the North American companies have set up manufacturing facilities here to service their international business. In addition they concentrated to a great extent on the production of 40 to 80-horsepower tractors, the size of tractor which holds a major portion of nearly every market. What this has meant to the British farm machinery balance-of-payments is typified by last year's statistics. Exports of farm machinery totalled £419.4m., of which only 21 per cent., or £88.2m., was accounted for by non-tractor business. Britain would swing into an immense deficit if for some reason the North American groups decided to cut back on their U.K. tractor-making operations.

There is, fortunately, not much danger of this happening in the foreseeable future. Apart from the tremendous capital investment the North Americans have here—which they are continuing to build on—they also find the U.K. a convenient centre for world trade because of its sophisticated City-financial and shipping networks. Thus, instead of a direct cut in operations in the U.K., what is more likely to happen is that British-made tractors will gradually lose their share of the world market simply because new production capacity will be introduced to *countries outside the U.K.*

This will have less to do with the problems the North American concerns have had in Britain —although Massey-Ferguson, in particular, has suffered substantially from industrial disputes both inside and outside its own operations in recent years—than the desire of developing countries to have their own engineering manufacturing resources. They feel they need to provide employment for their own people and to cut down import bills.

Farm machinery is well up the list of priorities. With one quarter of the world's population suffering from malnutrition, boosting food production remains one of the more pressing international problems.

The third world, however, has been having problems finding the finance for the equipment it requires, though this has eased to some extent because some of the *enormous cash* resources of the oil producing countries are being directed towards helping the third world. But, basically, those countries wanting to set up farm machinery manufacturing operations have, naturally, been turning to the North American companies for help. After all, three of them—Massey-Ferguson, Ford and International Harvester—between them build half the tractors sold in Europe. The only way for the would - be - . industrialised countries to get into the action quickly is via co-operation agreements.

These are becoming more and *more* common. Poland, Turkey and India have featured prominently in this movement, with the outstanding recent example the £150m. arrangement between Massey-Ferguson and Poland. Basically the agreement is between the U.K. end of Massey-Ferguson and the Ursus tractor business in Poland. In association with Guest Keen and Nettlefolds, CAV and other U.K. companies, Massey-Ferguson-Perkins will help reconstruct and modernise the Polish tractor and diesel engine industries. The Polish Government called in the Canadians because, although Poland's tractor output has been reaching 50,000 a year, mainly made with Czechoslovak know-how and sold to Polish peasant farmers, the industry was started up in the late 1950s and is dogged by obsolete technology.

## Mostly out of date

In addition, the manufacturing equipment at the Ursus plant is mostly out of date and heavily over-manned. Now, only one type of Czech-designed tractor will continue in production there. The eventual intention is for the plant to build up to 75,000 Massey-Ferguson tractors and 90,000 engines a year, some of which will be fed into M-F's international selling network.

The Poles and M-F are the only real winners in this deal, although in the short term there will be considerable benefits to the U.K. because around £80m.-worth of machine tools will be required for the Ursus plant and most of them will go from Britain. But the British Treasury loses one way or another because it will have to find the difference between the 6 per cent. interest the Poles will pay for the £127m. of Export Credit Guarantee Department-guaranteed long-term credit and the more realistic level of interest required by Barclays and the consortium of English and Scottish banks providing the finance.

So it could be argued that the British taxpayer is helping *to finance eventual* Polish competition for the U.K. tractor factories. M-F's reply is that the Poles were going to develop their tractor industry anyway (and Kloeckner-Humboldt-Deutz of Germany was a front runner to provide the know-how until fairly late in the negotiations) and that the export credit was a very important factor in the "package" which won the contract for the U.K.

## Long-term affair

In *any case, the growth of* new tractor and farm machinery manufacturing businesses is a long-term affair. And while the North Americans have so much at stake in the U.K. they will obviously do their best not to damage their British interests in any serious way.

They would certainly have had to think much more seriously about the U.K. if it had dropped out of the Common Market, however. For Continental Europe, in comparison with the U.K., is far from being "saturated" with farm machinery.

This does offer a real prospect *for good growth because Europe* still has hundreds of very small local manufacturers of the kind which faded out as the U.K. industry rationalised. (Even so, there are still more than 210 members in the Agricultural Engineering Association.) If U.K. companies are to make the most of the opportunities offered in the Common Market, they must, however, be prepared to make a very big investment in time and money.

The disappointing aspect to all this, though, is that there is hardly a handful of wholly-British companies with the financial muscle at least to attempt to take advantage of the opportunities in the rest of the Common Market. After Ransomes Sims and Jefferies and Howard Machinery the list rapidly runs out. Even in ploughs, where Ransomes is clearly the market leader with over 30 per cent. of all sales, less than half the units sold in the U.K. are home produced.

But the fact remains that whether or not Britain's farm machinery industry remains one of its most-successful exporters depends mainly on the North Americans, and particularly on their tractor manufacturing businesses. Any move by them to shift manufacture away from the U.K. would be a tremendous blow. And their influence is growing greater rather than diminishing, as the closure of Ransomes' combine business and of Marshall-Fowler clearly shows.

# MEN AND MATTERS

## Brilliant

There is a National Westminster Bank customer in Reading who comes close to the "little old lady on fixed income" stereotype. She has a few thousand pounds of family money administered by the trustee department. It sends her computer *print-outs of estimated income* for the year.

But against three of the items in the portfolio, representing about 40 per cent. of the income, the estimate on the print-out reads zero. So the total estimated income figure given is nonsense. There is no indication of why the three items aren't expected to yield this year. Not unnaturally this upsets and worries her.

The three stocks are local government loans. When a young relative inquired at the branch why these rock solid investments were shown yielding nothing, he was told the computer couldn't handle local government stocks. So he tried *head office and they said no, it* wasn't just Reading, so there had not been anything unusual in this case.

The program used for estimated incomes for the whole trustee side of the bank could not cope with the calculation, nor does it indicate that the total estimates are wrong if local authority loans are held (the bank claims someone "normally" writes in an explanation).

The program can take forecast equity dividends to five decimal points and print out the estimated income from any odd number of shares. But 500 City of Whatnot 12½ per cent., and it just prints "0."

## Mixed interests

Can a leading Social Democrat also be a Freemason? I thought such questions went out with Pushkin, but it is being hotly debated in Denmark, the subject being Defence and Justice Minister Orla Moeller. He is reckoned to be one of the more hard-headed and talented members of the Cabinet, but he also spreads those talents around, mixing Defence and Justice with being an ordained priest of the Lutheran State Church and all three with being a high-ranking Mason.

What has caused the trouble is a temporary injunction against a TV showing of a documentary about Masonry. This injunction was given under a fairly recent Act on protection of private life, but Moeller's opponents imply that the Justice Minister is imposing censorship because of the sensitivity of Masons at having their secret rituals enacted in public.

Moeller says he hasn't been to a lodge for 10 years: "This is a matter of personal freedom and I shall stand fast even if it costs a Cabinet job." Asked if the issue had been discussed in the Social Democratic parliamentary group, he replied, "Let them just try."

## Iran's consortium banker

To be managing director of a London consortium bank whose shareholders comprise two of Iran's largest banks—one of them State-owned—and eight top-line international banks clearly requires many qualities. Not least diplomacy, given the Shah of Iran's control over all aspects of his country's activities. Darius Oskoui clearly has these. Seconded to the position as managing director of the Iran Overseas Investment Bank nearly two years ago, he has made an easy transition to that role from being formerly Deputy Minister (equivalent to our Under Secretary) in the Plan and Budget Department of the Iranian Government.

Iranvest has now raised its capital from £5m. to £8m., the new shares being taken up by Bank Melli Iran, the State-owned bank, and the Industrial and Mining Development Bank of Iran, the largest of its type, to give each a 25 per cent. holding. The balance of 50 per cent. is equally owned by Barclays Bank International, Midland Bank, Deutsche Bank AG, Société Générale, Bank of America NT and SA, Manufacturers Hanover International Banking Corporation, Bank of Tokyo and Industrial Bank of Japan.

That the Iranians have the largest holding reflects the importance of business put Iranvest's way from Iran, although the hope is clearly that the balance will eventually produce more two-way business between Iran and other countries in putting together loans, syndicating loans and, in particular, project financing. Oskoui arrived with the Bank's founding in 1973, and having been designed to get funds into Iran, it almost immediately produced an outward flow.

Seconded to his appointment, Oskoui still retains his status within the Civil Service there and has not officially left the government organisation. Diplomatically silent on what the Shah may think about Iranian involvement in consortium banks, he none the less admits that when it comes to knowing *what policies* are regarding development and financing he is still close to many government officials.

Educated first in Iran, Oskoui then spent ten years in the U.K., part of that time at the London School of Economics. Returning then to Iran he helped prepare his country's third development plan, took time off for a Ford Foundation Fellowship at Stanford and a spell in Iran's Washington Embassy, and then became a director of Plan and Budget, helping prepare the fourth development plan. Moving up in the government, he became deputy minister in the Ministry of Agricultural Produce and Consumers' Goods, then back to Plan and Budget as Deputy Minister where he spent seven years—four of them in charge of all external relations and thus empowered to handle all external borrowings for development projects—and then in charge of the fifth development plan.

## Beaten

In response to its two-page letter saying the Government should pay back some of its profit on the BP shareholding, the Burmah Shareholders Action Group has got a hastily scribbled reply from one woman shareholder, clearly punch-drunk with the fall of oil and car giants: "I am accepting the scheme — have already agreed to 10p."

***Observer***



هكذا من الاصل

# Why the High Street is taking stock

BY ELINOR GOODMAN

WHEN Marks and Spencer sneezes, most of its competitors have already caught a cold and many of them are dosing themselves with cold cure remedies. By keeping out of high fashion items and costly consumer durables, Marks and Spencer has always been less vulnerable to the vacillations of consumer spending than some of its more heady competitors.

Thus the news that Marks is cutting its stock levels by around 10 per cent. and reducing its forward commitments by much the same amount was no shock to its suppliers, many of whom had already been informed of far more drastic cuts by their other customers. Indeed, the only surprise was that it had taken Marks so long to do what most other multiple groups did months ago. Even Marks, it was felt, would have to accept that there might be hard times around the corner—a view which most multiple groups have been taking since Christmas.

Pessimism about the future of retail sales has been the underlying mood of retailers for the last six months. The January sales were viewed at the time as the last blow-out before the famine. But, generally good, they were followed by surprisingly buoyant business in the early spring.

## Bonus

Then the pre-VAT increase boom came in April, throwing forecasts off course and giving some retailers the equivalent of an extra Christmas—a bonus which for some cases, like Currys, is still compensating for the sales drop since May. For the John Lewis Partnership, it meant that, instead of being 16.4 per cent. up in the first half of this year, as forecast, sales look like being nearer 26 per cent. higher than in the same period of 1974.

Nonetheless, by the spring, retailers felt themselves increasingly to be living on borrowed time. Though some comfort can be taken from the fact that the underlying trend in retail sales has remained fairly flat over the last 18 months, volume sales in June are provisionally estimated to have been 3 per cent. below last June's level. This followed a month in which the fall compared with a year before was even greater, but the May result obviously reflected the impact of higher VAT rates on luxury goods, and some element of recovery was to be expected after that. Once the VAT upheavals are removed from the calculation, the picture is not so healthy, particularly now with the Government's pay control measures. These, retailers feel, must hasten the inevitable downturn as price increases overtake wage rises and nationalised industry bills take more and more of the household budget.

Even so, few big companies say they expect a fall in their own sales in the second half of the year. It will be a "matter of fighting for a bigger share of a smaller cake" is the typical comment. Opinions on how much smaller the cake will be vary from a 1 per cent. volume fall compared with last year to a 5 per cent. drop, with most people expecting the downturn to end up at around 2 per cent. As the trade gloomily points out, if this kind of fall were sustained, you would have to go back to the post-Korean War period to find a precedent.

What really matters is that, when the downturn comes, retailers are in a position to cope with it. Directors of several of the large multiple groups have

Terry Kirk

recently been returning from the U.S. with alarming stories of retailers who went into the recession with too much stock and were forced to sell it off at a loss.

Here most of the large department stores have been reducing their stock levels and, in many cases, their staff levels, for the last 12 months. After last year's three-day week, there was an immediate surge of what in retrospect looks like panic buying on the part of retailers. Frightened of shortages, they bought everything that was going, putting pressure on their cash resources. By July, they had realised that they had overdone things and began to let stock levels fall from their previous very high level. Thus the House of Fraser, for example, which owns not only Harrods but a number of other more typical department stores, is now operating on stock levels around 4 per cent. below those carried this time last year.

The Lewis's group, which owns Selfridges and a large chain of provincial stores, says its stocks are higher now than a year ago but that, like Marks, it is cutting back its forward commitments. Overall Lewis's is reducing its forward buying by about 5 per cent., though some departments, like carpets, are seeing cuts of nearer 20 per cent.

In the Debenhams group, the reductions were made last year, precipitated by the company's own particular problems, and stock levels are now being built up again. But, like all department stores, it is now taking firm action to increase its stock turn. Department stores which used to aim at keeping stock cover down to under 12 weeks' supplies now strive towards a maximum of nine weeks.

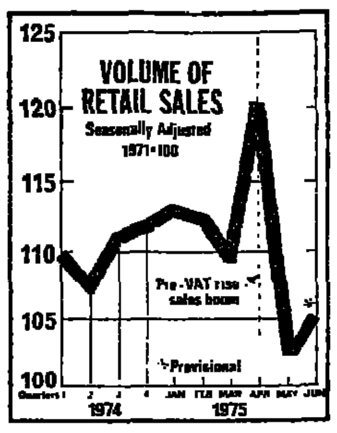
According to the official figures retailers' stocks in May were 11 per cent. down on a year earlier (at constant, 1970 prices). There is little doubt that certain sectors, such as electrical appliances, have shown far bigger drops, while cash flow problems must be forcing many small shops to make drastic reductions.

Apart from cutting back on forward commitments, the other way of reducing stock is, of course, to increase sales. Indeed, from the consumer's short term point of view, the pressures for sales—both among retailers and manufacturers—may lead to positive dividends in the shape of lower prices. A quick walk down London's Oxford Street shows the emphasis on price cutting at the moment, with several shops extending their traditional clearance sale periods in an attempt to gain volume. Similarly, if a retailer has enough cash to exploit the poor cash flow situation of some manufacturers, there is a lot of "distress stock" around at good prices. (Some of this seems to be ending up in street markets whose stalls now boast a number of well-known clothing brands, which in normal times would seem more at home in Bond Street than Petticoat Lane.)

Because of the fragmented nature of the retail trade, the reduction in staff has tended to be overlooked. More attention has been given to announcements of stores cutting back on capital investment than the steady dribble of staff away from the business. Only the news that Debenhams was cutting its staff by almost a third has hit the headlines. But most of the multiple groups are now, at the least, not replacing staff who leave. Even Harrods, which is protected to some extent from a British recession by its big tourist trade, has trimmed its employees, while Lewis's says its staff levels are at their lowest for five years.

Marks and Spencer says it is taking a "very critical" look at staff, actively recruiting only in a very few areas. Marks' decision to reduce its forward commitments has, however, been influenced by special factors on top of the expected decline in sales. Unlike most retailers, Marks buys on contract and has well established links with its suppliers. Thus, the company holds stock not only in its own premises but also in its suppliers' factories. With these suppliers suffering big reductions in orders from other customers, they have tended to concentrate their production on St. Michael lines and so over-filled the Marks and Spencer pipelines.

The reductions are the biggest Marks has made since the early 1950s, but even so the company feels reasonably optimistic about how it will emerge from a period of recession. Thus, it is still budgeting for a volume sales increase in the second part of the year. Like its increasingly aggressive competitor, British Home Stores, Marks has concentrated its product range on areas where consumers find it difficult to defer purchasing decisions—underwear, children's clothes and hosiery, for




example. Not surprisingly, therefore, its biggest cuts in forward commitments are in fields like women's coats where a consumer may well decide to postpone a replacement until times are easier. Moreover, Marks also claims to be protected from an overall reduction in consumer spending by the fact that many of its customers tend to desert the department stores they use in more affluent times in favour of the price conscious fold of St. Michael.

The big worry overall about the general sales slowdown is whether it will lead to a noticeable reduction in choice. In the food trade, which generally reduced its stocks ahead of the non-food sector, supplies have been patchy and some sizes and smaller brands have been cut out. Supermarket groups which two years ago would never have contemplated allowing gaps on the shelves now prefer the odd gap to tying up too much money in stock.

The situation has been made worse by the fact that in food, at least, customers are beginning to economise and are switching out of the more expensive lines into own-label products. This, particularly noticeable in canned vegetables because of the high price of fresh produce, has put real strains on supplies. Instant potato, for example, is in short supply in some areas, while several of the big supermarket groups are finding it difficult to get adequate supplies of other seasonal own-label vegetables.

## Little sense

For retailers, there is obviously very little sense in having gaps on the shelves for long: gaps do not sell. Retailers have, perhaps justifiably, got a reputation of crying "wolf" too often, but, as the Price Commission's latest statistics show, the big retailers' net profit margins have been coming down steadily since 1973, with the exception of a brief upsurge round Christmas. If shopworkers—one of the lowest paid groups in British industry—see the £6 rise as an entitlement rather than the upper limit to wage increases this year, retailers are either going to have to accept lower profits—and probably, therefore, a further cutback of investment both in stocks and shops—or to reduce staff.

Another option would be to try to recoup some of the increased wage bill in higher prices, but this could be difficult in a situation where shops are having to fight each other for a bigger share of a declining market.

# Letters to the Editor

## Net earnings differentials

*From Mr. R. Ehrmann.*

Sir,—It is a real failure of the Opposition at this time that it has not yet forced the Government to make a clear statement on what multiple of earnings it considers to be socially and economically desirable for the head of a nationalised industry to earn in net terms compared to the net earnings of an unskilled labourer.

In view of the philosophies expounded by some members of the Government and the present income policy, this is a question which is being asked by younger executives when trying to plan their careers. It is a matter on which a clear statement must be made if we are to hope that British industry can retain the services of young and gifted executives.

R. R. M. Ehrmann.
*41, Hornton Street, W.8.*

## Assessing local spending

*From the Assistant County Treasurer, Cleveland County Council*

Sir,—I have become more and more disturbed recently at the inability of central and local government to understand each other's problems in the current economic crisis.

Local authorities are expected to control spending in 1976-77. Yet despite this, and despite the impact of this year's centrally approved capital expenditure on 1976-77, no adequate guidelines have yet been issued.

The uncertainty about 1976-77 for local authorities is very real. If 1975-76 expenditure is taken as 100, then according to the Chancellor's statement, 1976-77 is 101.5, real growth of +1.5 per cent. Local expenditure, however, in 1975-76 is reckoned in Whitehall to have exceeded targets. The latest unofficial estimate is an excess of 2 per cent. "Growth" then becomes −0.5 per cent. approximately.

The Chancellor's growth of 1.5 per cent. is expressed in terms of public expenditure. In local authority expenditure terms, which includes loan repayments, the growth in normal economic conditions would be higher, perhaps by 2 per cent., giving growths of +3.5 per cent. or +1.5 per cent.

Normally, increments of salary are regarded as real growth. As they are included in the £8 per week maximum pay increase, they may now be regarded as inflation. As a result of local government reorganisation and of the Houghton teachers' award, increments could amount to +1.5 per cent. Consequently, the growth available for normal expenditure could vary further to +2.0 per cent. or 0.0 per cent.

The full range of growth rates on these factors alone is therefore −0.5 per cent. to +3.5 per cent. These growth rates are clearly average rates for all local authorities. No individual authority knows in advance its relationship to the average from year to year, and hence cannot assess a local growth rate from a national rate. How, then, can local authorities begin to plan their 1976-77 revenue expenditure? Yet to exert effective control, decisions should already have been taken.

Clearly, some early decisions on effective growth rates are needed; and the seemingly technical points above must be immediately resolved as they potentially sabotage the principles. Beyond this, some preliminary grant allocations to individual authorities for 1976-77 would enable local politicians to assess their local situation and take whatever action is now left open to them. I can well imagine the difficulties this poses for central government, but without it, the prospects for central-local relations and for effective central control of local spending look decidedly bleak.

These views are personal and do not necessarily reflect the views of Cleveland County Council.

P. G. Morgan.
*14 Heythrop Drive,*
*Hunters Hill, Guisborough,*
*Cleveland.*

## Durham miners do well

*From Mr. G. Atkinson.*

Sir,—Your item (July 29) about the job shortage in Durham highlights the serious situation dealt with in the report by senior county council planners. Against the adverse trends you mention, some cheer might be afforded by noting that the collieries in the County Durham area have actually increased their employment—and output—in the last 12 months. They have increased their intake of boys—and an even greater recruitment of young people is in prospect for the current financial year.

G. L. Atkinson,
*272, Mortimer Road,*
*South Shields,*
*Tyne and Wear.*

## Price reports beat index

*From Mr. M. Scutt*

Sir,—Mr. Shelley (July 30) notes that the price of the British Labour Statistics Year Book has risen faster than the Retail Price Index over the past five years. It is even more instructive to look at the price of the reports issued by the Price Commission; the first was published in July 1973 at 31½p and covered the period April/May 1973. Since then, the price has risen as follows:

| *Price Commission report number* | Price p | *Increase in price over 1st report %* | *Increase in Retail Price Index %* |
|---|---|---|---|
| No. 1: April/May 1973 | 31½ | — | — |
| 2: June/August 1973 | 37 | +17 | +3 |
| 3: September/November 1973 | 45 | +43 | +7 |
| 4: December/February 1974 | 50 | +59 | +13 |
| 5: March/May 1974 | 50 | +59 | +17 |
| 6: June/August 1974 | 65 | +106 | +21 |
| 7: September/November 1974 | 86 | +173 | +28 |
| 8: December/February 1975 | 95 | +202 | +38 |
| 9: March/May 1975 | 1.55 | +392 | +47* |

* June 1975 on June 1973.

In the last two years, the Retail Price Index (All Items) has risen 47 per cent. The price of the Price Commission reports has risen 392 per cent. or almost five times. The trend, moreover, is accelerating. The latest report is 63 per cent. more expensive than that issued three months ago in April despite having only 12 per cent. more pages. Who regulates the price of the Price Commission reports?

M. O. Scutt.
*20, Copthall Avenue, E.C.2.*

## One up to HMSO

*From Hilda Edwards.*

Sir,—I hope that the manager of the investment information department of the Save and Prosper Group is not so incautious in his use of statistics when conducting his specialist business as he was in his letter (July 30) on the subject of the price of the latest British Labour Statistics Yearbook (1973).

It is true that the price, at £12, represents a rise of 84.6 per cent. over the 1969 edition published in 1971. But it is quite wrong of him to compare this with the rise in the all-items Retail Price Index. The movement of the prices of individual items may be appreciably different from that of the overall index. If Mr. Shelley had been more cautious and taken the trouble to look at the item for "books, newspapers and periodicals," he would have found that between May 1971 and May 1975 (June figure not available) the index for this appropriate item has gone up by 88 per cent. So one up to HMSO.

Hilda Edwards.
*18 Clarendon Road, W.11.*

## Life assurance commissions

*From Mr. R. M. H. Griffiths.*

Sir,—It was reported (July 30) that the life offices have established a new premium-related system for paying commission on life assurance policies. The reasons the life offices are quoted as giving are simplicity and easy applicability to new types of policies, and that the new system should encourage the intermediary to give strictly impartial advice to the consumer.

Although the proposed new rates of commission for whole life and endowment assurance policies are not ideal, I think it is more important to examine the principle of the changes than their mere commercial impact on insurance brokers.

I think that brokers' reasons for seeking payment of a higher commission to those who give a complete service in setting up life assurance arrangements than to those who merely provide an introduction for the life offices' salesmen have been insufficiently understood. The brokers' intention has not been to line their own pockets but rather to ensure that the life offices should not burden their premium rates generally with disproportionately heavy expenses incurred on that part of their portfolio where they have paid full commission in return for a mere introduction.

It needs to be pointed out that for reasons which they have not made clear (maybe because they wish to bring within their cartel offices with widely disparate views?) the new commission rates do nothing to meet the second of the life offices' stated criteria, namely that they should encourage strictly impartial advice.

By way of example, the commission rate payable on a pension arrangement costing £1,500 per annum for an employee aged 44 and due to retire at age 65, can range from a modest annual commission of £41.25 up to a very much more valuable single commission payment of £750 followed by an annual commission of £22.50; it depends upon the particular contract chosen by the broker from a number all of which would give apparently similar results for the client but without necessarily being equally suitable. The difference in commission must be at least as capable of influencing the broker's choice as were the anomalies in the old system.

There is also a rather curious provision that an individual pension arrangement can be the subject of special increased commision payments on annual premiums up to £3,000 except in the case of a controlling director where there is no limit on the premiums to which the higher commission rates may apply.

There is no apparent logical justification for these anomalies and somewhat fairer commission rates might have been established if the life offices had paid more attention to the views of the brokers who are, after all, retained as advisers by the insuring public.

Mark Griffiths,
Griffiths and Armour,
*101, Derby House,*
*Exchange Flags,*
*Liverpool.*

## Regenerating hospitals

*From Mr. W. Paul James*

Sir,—I agree with Dr. Draper's distinction between "replacement" and "development" (Careful use of resources—July 17). I believe, on the basis of experience here and in Canada, that many existing health buildings can be successfully "regenerated" at relatively low costs, and with minimum disturbance to a well-established environment.

A selective regeneration policy might take account of both present and future trends in health care. New buildings can provide the flexible and extendable space required for modern medical technology—operating theatres, X-ray machines, laboratories—thus forming the essential and permanent nucleus of the hospital. Whereas the comparatively static nature of in-patient services, and perhaps the likely decline in the future need for them, is reflected in the less adaptable and relatively shorter life of regenerated existing buildings housing wards and other supporting services.

I recall that in the late 50's and early 60's, when money for health building was in short supply, regeneration schemes were fashionable. Some were carried out successfully, and at remarkably low cost. Others were started, but abandoned when money became easier.

To-day we are experiencing another cut-back in health building. Perhaps we can take this opportunity to recast our hospital building programme in terms of regeneration rather than replacement, thereby leaving more money available for our neglected community health services.

W. Paul James.
*22 Bloomsbury Square, W.C.1.*

## Definition of wealth

*From Mr. J. Talbot.*

Sir,—During the past week I have been challenged several times in your columns on my view (July 24) that pension rights are not a proper subject for any wealth tax. Please allow me to comment on what appear to have been the salient arguments for the contrary view.

Mr. Ross contends (July 29) that "the capitalised value on an actuarial basis is a debt just as much as if it was owed by a bank or a building society instead of by the former employer." If he had ever tried to collect such a "debt" from a former employer (or the trustees of a pension fund) I suggest that he might feel less certainty. Mr. Ross attempts also to assimilate the surrender value of an endowment policy with pension options to the actuarial value of a retirement annuity policy. But the former is collectable in cash; the latter is not. Of course, if upon retirement the employee (or self-employed person) is entitled to commute part of his rights for a lump sum, different considerations would apply to that sum. What we are discussing, however, as I understand it, is the right to a pension before retirement and the pension receivable during retirement.

Mrs. Derrick (July 29) and others appear to base their views mainly on the immense value of a civil servant's inflation-proof pension. Against the background of present inflation the civil servant is undoubtedly given far too high a preference over other employees and the self-employed. But surely the discussion is concerned not with the quantum but with the character of pension rights in relation to a wealth tax? And can it be right that the individual with modest and reasonable pension rights should be penalised because the pension rights of the civil servant are excessive? I come back to the basic point—that a pension is, in character, that part of earnings which is deferred until retirement, and that being liable to income tax it should not be subject to any wealth tax.

Also during the past week the Royal Commission on the Distribution of Income and Wealth has published its first two reports, and in discussing the definition of wealth the Commission expresses the belief that "the concept of marketability lies at the heart of the debate." If, unhappily, we are to have a wealth tax at all, it is to be hoped that this statement will be a foundation stone of the legislation.

J. E. Talbot.
*Willow Corner,*
*Enton Green,*
*Godalming, Surrey.*

## Shotton steel

*From Mr. S. Gray.*

Sir,—I had the privilege of being general manager of the Shotton Steelworks 10 years ago, and my father was general manager before me for over 25 years; therefore, I think that it is appropriate that I should write to you at a stage when I understand that a decision on the future of the steelmaking plant there is imminent.

Shotton was always, and I believe still is, a profitable plant, and I hope that those who have to make this decision realise that profits are about people more than configurations of plant—workpeople, customers and owners.

A comparatively modest sum of money spent at Shotton—modest compared with the total sum which British Steel Corporation is reported to wish to spend—would up-date the steelmaking process at Shotton and make use of the heritage of good relationships which still exist there.

Stephen A. R. Gray.
*Lower Soughton,*
*Northop, Mold, Clwyd.*

# To-day's Events

GENERAL

Mr. Michael Foot, Employment Secretary, expected to announce details of Government's temporary employment subsidy during proceedings on Employment Protection Bill (see Parliamentary Business below).

Workers' representatives from Shotton steelworks meet Employment Secretary to press for rejection of plan to phase-out steelmaking there.

Mr. Merlyn Rees, Ulster Secretary, and Lt.-Gen. Sir David House, Army GOC, hold review of security, Ulster.

CBI economic policy committee meets.

Mr. Denis Howell, Minister of State for Sport, and Miss Mary Peters speak at conference on "Build-up to the Olympics—and Beyond" organised by 3M company, Waldorf Hotel, London.

Sir Murray Fox, Lord Mayor of London, in Adelaide as part of Australia-New Zealand tour.

PARLIAMENTARY BUSINESS

House of Commons: Employment Protection Bill, remaining stages: House of Lords: Industry Bill, report stage. Criminal Jurisdiction Bill, consideration of Commons amendment. Northern Ireland (Emergency Provisions) (Amendment) Bill, committee.

COMPANY RESULTS

A.V.P. Industries (full year).
Balfour Darwins (full year).
Gnome Photographic Products (full year).
Hogg Robinson Group (full year).
Wintrust (full year).

COMPANY MEETINGS

Bristol Evening Post, Bristol, 12.
Doncaster (Daniel), Sheffield, 11.30.
Finance for Industry, 91, Waterloo Road, S.E., 2.30.
Ocean Wilsons, Winchester House, E.C., 12.
Sutcliffe Speakman, Leigh, Lancashire, 12.30.
Trident Group Printers, Walkden House, N.W., 12.15.
Triplex Foundries, Tipton, 12.

MUSIC

Henry Wood Promenade Concerts: BBC Northern Symphony Orchestra, conductor Raymond Leppard (piano Yitkin Seow), play Britten's Sinfonia da Requiem, Beethoven's piano concerto No. 2 in B flat major, and Schubert's symphony No. 9 in C major, Royal Albert Hall, London, 7.30 p.m.

Tokyo String Quartet and King's Singers perform music by Brahms, Queen Elizabeth Hall, London, 7.45 p.m.

SPORT

Cricket: Second Test (final day); England v. Australia, Lords.
Tennis: Inter-Services championships continue, Wimbledon.
Yachting: Cowes Week continues.
Show Jumping: International Horse Show opens, Dublin.

# COMPANY NEWS + COMMENT

## Big second half downturn at Letraset

A DROP of £0.72m. to £2.01m. in profits for the year ended April 30, 1975, is reported by Letraset International, makers of type transfers and instant lettering systems.

At halfway, the profits had fallen £0.19m. to £0.9m.

Full year net earnings per 10p share were 4.67p (7.14p). The dividend is stepped up from 1.2053p to 1.2815p, with a final of 0.9125p.

| | 1974-75 £000 | 1973-74 £000 |
|---|---|---|
| Sales | 17,228 | 13,432 |
| Profit before tax | 2,010 | 2,726 |
| Taxation | 1,195 | 1,512 |
| Minority | 1 | *2 |
| Net profit | 814 | 1,216 |
| Extraord. debits | †33 | 778 |
| Dividend | 223 | 208 |
| Retained | 558 | 230 |

* Loss. † Currency conversion adjustment on opening net assets £36,000 (£44,000), goodwill £89,000 (£728,000), intangible assets written off nil (£30,000), prior year depreciation nil (£84,000).

The directors state that a relatively strong first quarter gave way to a weakness in sales in principal overseas markets during the remainder of year. This was initially the result of a reduction in inventories by dealers but "*clearly the international* recession has since contributed to a reduced consumer demand for commercial art materials."

The group has achieved a major reduction in cost base, and has been able to maintain its strong competitive position.

The financial position continues to strengthen. There has been since last year a marked improvement in the balance sheet, reflected in the reduction in the ratio of external liabilities to shareholders interests. Furthermore borrowings are well within existing facilities.

Tax charge for both years has been affected by unrelieved losses and this had a particularly adverse impact on the charge for 1974-75: this stemmed largely from the group's Japanese operations where remedial action is being taken.

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### INDEX TO COMPANY HIGHLIGHTS



## B. Elliott sees good year

In the present uncertain economic and political situation, the chairman of B. Elliott and Co., Mr. J. Frye, finds it "especially difficult" to forecast even in the short term.

However, the directors expect a good profit for the group in the current year, although "this will not match the record just achieved."

*As reported on July 27*, taxable profits jumped from £2.33m. to £4.3m. for the year to March 31, 1975, on turnover up from £36.25m. to £50.38m. The dividend is 3.625p (3.343p) net, the maximum permitted.

The accounts show that six directors waived remuneration totalling £60,000.

Mr. Frye tells members that the machine tool manufacturing division had a very satisfactory year recovering from the effects of the three-day week to achieve a record turnover and profit. Exports again increased to over 40 per cent. of output.

The six companies in the machine tool merchanting division again improved on previous successes.



## Hall & Earl turns in £0.62m.

*AFTER BEING behind from* £228,504 to £219,906 at midway taxable profit of fabric and garment makers, Hall and Earl improved from £560,363 to £615,283 for the year ended March 31, 1975.

Earnings per 5p share have risen from 2.34p to 2.5p and the dividend is raised from 0.4617p to 0.4927p net.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| Turnover | 7,748,217 | 6,010,678 |
| Pre-tax profit | 615,283 | 560,363 |
| Tax | 312,725 | 281,892 |
| Net profit | 302,558 | 278,471 |
| Extraordinary debit | — | 45,100 |
| Minorities | 5,426 | 252 |
| Attributable | 297,132 | 233,069 |

### ● comment

A rise of one-tenth in pre-tax profits from Hall and Earl is a fair enough turnout from a textile group, and in part this owes something to the move away from the highly depressed double jersey knitting and an extension into other fabrics such as fleece. As an industry, ladies' outerwear has shown some relative strength against the textile sector and, even though this may not continue *through the* current year; Hall and Earl is aiming at one end of the scale with the cheaper budget mail-order dress and at the other with a quality product hoping that the decline will be concentrated somewhere between the two. Only time will tell if the group's strategy if justified, but market sentiment is not impressive, with a share price of 6p—the same as at the beginning of the year—and the current yield a well covered 13.8 per cent.

## Burmah action group taking Counsel advice

By Margaret Reid

The BURMAH Shareholders Action Group is instructing solicitors this week for the purpose of taking advice of Counsel about sale by Burmah Oil, which has had State backing in its liquidity problems, of its 20½ per cent. share stake in British Petroleum to the *Bank of England*.

Among the principal questions posed by the shareholders group are whether the directors had the legal right to dispose of the shares and whether the Government, when it fixed on 220p a share sale price, had more knowledge than the Stock Market about the shares' value.

The holding was sold to the Bank of England for £179m. in January, when Stock Market levels were lower than to-day's. The present value of the holding is nearly £200m. higher.

The *shareholders* group is also raising questions about the role of the Bank as pledgee of the shares in the period before the sale between December 31, 1974 and January 23, 1975, and concerning the relationship of Burmah and the Bank as customer and banker at the time of the sale.

Another point concerns statements said to have been made previously by Burmah that the BP shares would not be disposed of without the consent of shareholders at a general meeting.

## Advance at Howard Shuttering

AFTER RISING from £103,198 to £115,884 in the first half, profits of Howard Shuttering (Holdings) finished the year to April 30, 1975, ahead from £244,818 to £304,705, before tax of £151,358 compared with £132,040.

Turnover expanded from £2.03m. to £2.33m. The dividend is lifted from 1.2p to 1.2875p net with a final of 0.8125p.

### ● comment

Against a very difficult background in the building industry Howard Shuttering has lifted its 1974-75 pre-tax level by roughly a quarter, on a sales rise of 15%, with the fastest growth coming in the second six months. This apparently reflects the group's efforts to widen its product range and to increase the adaptability of its existing products following a recent heavy capital investment programme. The margin improvement also owes much to the completion of most of the group's fixed-price contracts during the year. Only one of the current contracts is still fixed-price. Volume in the current year is holding up well, particularly in sales to local authorities, and though conditions are still very tough, the group which has a strong liquidity position (nil bank borrowings and a "substantial" cash balance) is looking for further growth. Despite this, though, the shares at 10p are maintaining a cautious attitude on a yield of 21.6%.

## Newman shares gift to employees

Mr. Alan Bartlett, chairman of Newman Industries, the electric motor specialists, yesterday announced that immediate steps were being taken to offer as a gift 65,000 Newman shares to 6,500 employees in Newman and five associated public companies as a first step to his already-announced plan for "creation of an industrial co-operative embracing all six companies."

Newman has recently been subject to controversy due to pressure by Prudential Assurance, acting for six institutional shareholders in Newman, to elicit extra information on deals to purchase assets from Thomas Poole and Gladstone China. The deals were ratified last week without an independent report by Schroder Wagg having been completed.

Mr. Bartlett said he hoped that the formalities would be completed in time to allow the issue of the free shares in early September.

The shares are currently owned by Strongpoint, a private company controlled by Mr. Bartlett and Mr. J. K. "Jake" Laughton, deputy chairman of Newman and TPG.

Mr. Bartlett described the move as "merely a logical development of the role of the shareholder, enabling employees to participate in the policy determination and profit distribution of an enlarged group, while maintaining their respective responsibilities and contributions."

## £0.82m. from Clive Discount

FOR THE year to June 30, 1975, Clive Discount Holdings announces a group net profit, after provision for rebate and taxation and a transfer to contingencies reserve, of £821,877 compared with a forecast of £800,000 in the Offer for Sale dated May 30, 1975 and a £38,000 loss for the previous year.

The dividend for the year is lifted from 0.888p to 1.044p net.

As stated in the Offer for Sale, the company will be reverting to its former accounting date of March 31. The directors will consider payment of an interim dividend in January 1976 and a final dividend in June 1976 based upon the results of the company for the nine months ending March 31, 1976.

| | 1974-75 £000 | 1973-74 £000 |
|---|---|---|
| Consolidated profit* | 822 | †39 |
| Extraordinary items†† | 195 | 81 |
| Pref. div. | 11 | 23 |
| Ord. div. | 151 | 111 |
| To general reserve | 700 | — |
| Carried forward | 955 | 180 |

* After providing for rebate and taxation and transfer to (1973-74 from) contingencies reserve. † Loss. †† Includes £25,000 (£51,000) dividends from, less amounts written off, investments in subsidiaries since sold plus £210,000 (nil) surplus on sale of subsidiary and associated companies less £48,000 (nil) expenses of offer for sale.

### ● comment

Clive Discount's statement adds little to the offer for sale prospectus in June, other than to show an increase of £22,000 over the forecast net profit: a surplus on the sale of money broking subsidiaries to Sime Darby London amounting to £210,000 is included. Currently the company is operating on a book of short average maturity: interestingly enough, in the light of the authorities easing of restrictions on public/private sector debt holdings, the gap between MLR and base rates has now given a competitive edge to public sector instruments, while at the same time the supply of usually more profitable private sector paper has been sluggish. No further guidance has been given on the size of prospective dividend payments but on the basis of a notional listing last year, the yield at 30p is 9 per cent., in line with the sector.

Statement Page 15

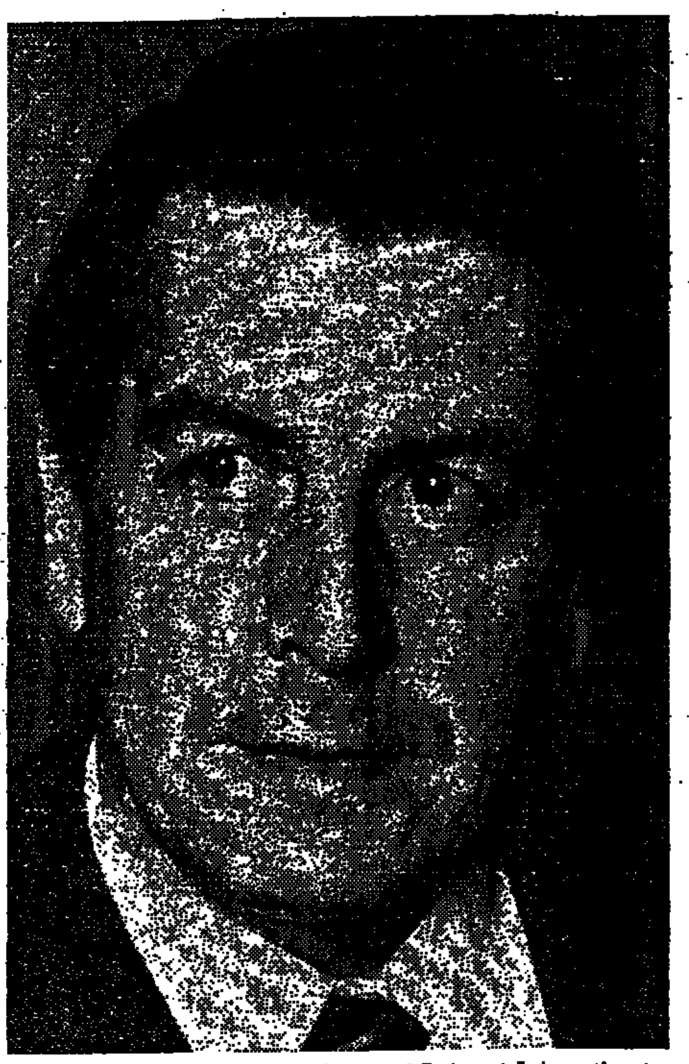
## Meakers up £0.13m. to peak £0.38m.

From turnover up from £3.37m. to £4.48m., taxable profit of Meakers, men's hosiers and outfitters, expanded from £257,218 to a record £384,400 *in* the year ended January 25, 1975.

And given that the country can be restored to a reasonable economy, the chairman, Mr. C. H. Barnes is confident of "another successful year."

The profit is struck after interest charges of £49,814 (£22,713) and crediting £47,756 profit (nil) from property sales.

Tax takes £206,324 (£131,677), leaving £178,076 (£125,541). The dividend absorbs £68,131 (£57,083) and £109,945 (£68,458) is retained.



Mr. William Fieldhouse, chairman of Letraset International.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| American Assoc. | 0.26(b) | — | Nil | 0.26 | Nil |
| Clive Discount | 1.04 | — | 0.89 | 1.04 | 0.89 |
| Hall & Earl | 0.49 | — | 0.46 | 0.49 | 0.46 |
| Joseph Holt ......int. | 0.49 | Aug. 29 | 0.5 | — | 1.66 |
| Howard Shuttering | 0.81 | Oct. 2 | 0.76 | 1.29 | 1.2 |
| Jermyn Investment | 1.59 | — | 1.49 | 1.59 | 1.49 |
| Letraset | 0.91 | Oct. 1 | 0.86 | 1.28 | 1.21 |
| St. Andrew Trust ...int. | 1.25 | Oct. 1 | 1.25 | — | 3.25(a) |
| Western Canada Inv. | 8.5 | — | 6.5 | 11.5 | 9.5 |

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Corrected. (b) Gross throughout.

## Rediffusion Holdings sees loss

Interest charges at Wembley Stadium, which last year reduced Rediffusion Holdings profit, will be about £1.75m. in the current period; as a result the group is expected to sustain a loss in the year ending March 31, 1976, according to the directors in their annual report.

Throughout 1974-75 building work continued on the conference centre and offices, the landscaping of car parks and the construction of overhead walkways at Wembley Stadium. They say that the conference centre is expected to be opened in September, 1976, and the offices should be complete and available for occupation in June, 1976.

The returns to date from the squash centre "have been encouraging," they add.

*As reported on July 16 profit* before tax declined from £0.77m. to £0.47m. in 1974-75 after interest charges of £0.4m. (£0.1m.). Dividend is 2.25p (5.32p) net.

Meeting, Stratton House, W., on September 16 at 10.30 a.m.

## CU policy for retail shops

By Eric Short

A new insurance contract available for most retail shops in the U.K., except Ireland, has been launched by Commercial Union Assurance. This puts together in one policy all insurance requirements of the trade and is available for all shops except certain *specialised ones such as jewellers,* furriers and betting shops.

The package consists of the usual compulsory covers—shop contents, consequential loss, liability insurance, external glass and money on premises. But the insured has the facility to add optional covers, including risks to freezers, personal accident, business machines, internal glass and failure of public utilities.

The CU has produced a rating guide which will enable agents and brokers to make premium *quotations*, thus saving a lot of time initially. The policy gives improved commission rates to brokers compared with the previous contract.

## MINING NEWS

## Texasgulf may have new find

BY LESLIE PARKER, MINING EDITOR

AMERICA'S BIGGEST Canadian miner Texasgulf, which runs the major Kidd Creek base-metal mine near Timmins in Ontario, may have discovered a viable new zinc orebody in the Yellowknife area of the North-West Territories our Montreal correspondent reports.

The company has drilled 29 holes on a 23,000-acre property near Izok Lake 225 miles north of Yellowknife. Assay results have been released from the first 14 holes. The showed zinc values of up to 20 per cent. plus 2 per cent. copper, 2 per cent. lead and 2 ounces of silver a ton. Individual sections revealed much higher contents of copper, lead and silver.

The structure is stated to appear highly contorted and there are wide variations between sections although metallurgical problems are not thought to be *likely*. The company is considered to have a rough idea of the tonnage potential but is not revealing its estimate until further drilling has been completed.

Encouragingly, the company said that copper values seemed to be getting richer as drills on the structure moved eastwards. But it cited access problems although these would not be serious if the property proved to be a large potential mine. The nearest producers are Cominco's 69 per cent. owned Pine Point lead-zinc mine, which has large ore reserves and paid off its production financing debt in three years; the same group's Con mine which is in the throes of a 50 per cent. expansion programme; and another gold mine also near Yellowknife.

Texasgulf is 33 per cent. owned by the Canadian Government's Canada Development Corporation which acquired its interest at $29 a share in 1973. The week-end Toronto price thereof was $33.

### ROUND-UP

*Poseidon announces* that in deep diamond drilling at the Windarra nickel mine in Western Australia in which Western Mining now has a 50 per cent. interest an intersection of 2.4 metres (7.87 feet) averaging 1.76 per cent. nickel was made at a vertical depth of 820 metres (2,690 feet). In a wide deflected hole a 7.5 metre (24.6 foot) strike averaged 2.13 per cent. nickel a short distance to the south in the same lode channel. The mineralisation is stated to be the deepest encountered to date at Windarra. Yesterday Poseidon rallied 3p to *200p*.

Shareholders in America's Central Oil have unanimously approved the sale of its assets to Amax Petroleum Corporation a wholly-owned subsidiary of the U.S. mining group Amax for 788,000 shares in the last-named. Central Oil is described as a closely-held independent oil and gas producer with current operations in five states. This and the Copper Range deal will reduce the Selection Trust stake in Amax to 8.6 per cent. from the 11.6 per cent. held prior to these expansionary acquisitions by the American group.

Drill indicated ore reserves at the Bamboo Creek gold prospect of Australia's Meekatharra Minerals are stated to stand at 223,000 tons averaging 25.2 dwts. Of these 123,000 tons are classed as "probable" grading 30 dwts. A profitable operation is thought to exist on a 150 tons of ore a day basis. Various development alternatives are being pursued but there is no intention to seek further funds from shareholders. There is scant market in the shares in London where the nominal price is around 10p.

## Rio Algom earns less

IN LINE WITH other copper producers, the Rio Tinto-Zinc group's 51 per cent.-owned Rio Algom arm in Canada reports sharply lower earnings for the first half of this year.

They amount to a net $15.6m. (£7m.) or $1.25 (56p) per share compared with $20.4m. in the first half of 1974 and that year's total of $43.8m. which was equal to $3.52 per share.

The latest results reflect the impact of lower copper prices and higher taxation, notably at the 59.8 per cent.-owned Lornex mine in British Columbia which, as reported in Mining Notebook yesterday, has paid no less than 89 per cent. of its available profits by way of taxes and royalties in the past half-year.

*Rio Algom's steel* revenue has increased but this has been overtaken by rising costs in the latest period. The only bright spot has been the higher earnings from uranium.

So far as the current half-year is concerned, the potentially important uranium division should do well again and, if Transatlantic economies pick up, Rio Algom's steel activities should recover further.

Copper prices may improve but the group's Mines de Poirier mine in Quebec is expected to close shortly. In all, Rio Algom may *maintain earnings in the current* six months but is unlikely to do much better until the hoped-for improvement in world economies develops next year.



## ISSUE NEWS

## Record £268m. new money in July

Statistics compiled by the Midland Bank show that the amount of "new money" raised in the U.K. by the issue of marketable securities in July was £268.0m. In the first seven months of the year £1,274.1m. against the comparable period's figure £264.1m.

The July total is the largest monthly figure ever recorded, and the total for the seven months is higher than that for the whole of the record year 1972. The majority of last month's new money was accounted for by 25 rights issues which raised £211.7m. These included Town and City Properties (£25.4m.), Legal and General Assurance (£24.7m.), Metal Box (£24.1m.) and Bowater (£22.6m.).

The remainder of the new money was accounted for by 32 local authority bond issues raising £17.7m., three local authority stock issues raising £14.9m., three placings raising £16.3m. and three waterworks raising £7.5m.

### METAL BOX—59% TAKEN UP

Metal Box's rights issue of 11,484,824 Ordinary shares at 210p received acceptances in respect of over 6.7m. shares representing approximately 59 per cent. of the issue. Shares not taken up will be allotted to the underwriters to the issue.

### TAP STOCK

The prospectus is published today in connection with the issue of £600m. 12¾ per cent. Treasury Loan 1992 at £94.50 per cent.

Interest on the stock will be payable half-yearly on January 22 and July 22 with the first payment of £3.37 per cent. due on January 22, 1976.

## RESULTS AND ACCOUNTS IN BRIEF

BRISTOL STADIUM—For half year to June 30, 1975, paid attendances: Bristol 23,736 (50,586); Oxford 29,326 (31,895). Totalisator retention: Bristol £86,472 (£58,741); Oxford £35,785 (£33,231). Receipts £312,553 (£265,849). Expenditure (including depreciation) £244,815 (£196,923). Net receipts £67,738 (£68,916). General betting duty £32,722 (£29,406). Operating profit £35,016 (£38,510). Corporation tax £18,206 (£20,025). Operating profit after tax £16,808 (£18,485). Investment income £3,278 (£6,315). Profit after tax £20,086 (£24,800). Aggregate paid attendances at Bristol were up by 7.8 per cent. over the corresponding period last year compared with a national increase of 5 per cent. Oxford's aggregate paid attendances, which included entry to the free enclosure until the end of April when it was decided to charge for entry, shows a decrease of 8.1 per cent. Aggregate totalisator retention at Bristol was up by 13 per cent., and at Oxford by 1.5 per cent. compared with a national turnover increase of 11.1 per cent. The North Stand complex improvements continue to be carried out and we are confident of taking full advantage of the improvements before the end of 1975.

HIGHVELD STEEL AND VANADIUM CORP.—Dividend for year to June 30, 1975 10 cents (7.5 cents). Operating surplus and sundry income/losses R24.73m. (R15.23m.) less interest R4.55m. (R4.06m.). Net income R20.18m. (R11.17m.). Provision for deferred tax R5.73m. (R1.38m.). Tax paid by subsidiary R1,000 (nil). Dividend R5.73m. (R4.23m.). Retained surplus R8.09m. (R5.49m.).

JERMYN INVESTMENT COMPANY—Dividend 1.593815p (1.4949375p) net for the year to November 15, 1974. Pre-tax profit £33,682 (£28,980). Tax £17,400 (£13,800). Earnings per 25p share 1.63p (1.52p).

ROBERT RILEY (HOLDINGS) (manufacturers of springs and presswork)—Results for year to April 26, 1975, reported July 15. Group fixed assets £187,544 (£179,399). Net current assets £210,278 (£182,199). Chairman says current year started encouragingly. Meeting, Rochdale, on August 26, at noon.

ROUTLEDGE AND KEEGAN PAUL (book publishers)—Final dividend 2.1p making 3.1p year ended March 31, 1975 (3.21p). Turnover £2,033,749 (£1,877,039). Profit £141,078 (£187,224), less tax £69,920 (£94,944), leaving £71,158 (£92,280). Extraordinary credit £95,004 (nil) on profit on sale of property. Earnings per share 6.1p (7.1p). Chairman waived interim and final dividends on 164,537 shares.

WESTERN CANADA INVESTMENT COMPANY—Final 8.5p, making 11.5p (9.5p) for year to June 30, 1975. Gross revenue £111,057 (£102,261). Net assets attributable to Ordinary £2.07m. (£1.52m.), earnings for 25p share 13.4p (10.9p). Net asset value 516p (381p) at par and 535p (388p) prior charges at market value. Investment currency premium 110p (43p).





هكذا من الاصل

# Mercury well placed for economic upturn

IN HIS annual statement, the chairman of Mercury Securities, Sir Eric Roll, says that although first quarter figures compare favourably with last year, it would be unwise to take this as a guide for the rest of the current year.

He is confident, however, that the group will continue to play a constructive role in its various activities, and it is well placed to benefit from an improvement in the world economy.

As reported on July 3, profits after tax and minorities improved from £5.04m. to £5.49m. in the year to March 31, 1975. The dividend is the maximum permitted 2.7588p (2.5853p) net.

Total assets rose from £422.7m. to £467.89m. Bank balances were £21.72m. (£16.12m.), bank certificates of deposit etc. £91.31m. (£77.92m.), money at short notice £37.21m. (£57.14m.), and loans, advances etc. £82.79m. (£71.52m.). Current, deposit and other accounts of banking companies, including inner reserves, totalled £249.42m. (£258.37m.).

S. G. Warburg and Company was very active both in the domestic and international fields, states the chairman.

Although there was only a small increase in the balance sheet total, the 20 per cent. increase in loans, advances and acceptances reflected an active year in general banking.

The initial stage of the merger of Warburg-Paribas with A. G. Becker and Company took place in September, 1974 and the arrangements were completed in January 1975 with the formation of The Becker and Warburg-Paribas Group. The cash investment of Warburg-Paribas, which amounted to about half the total capital funds of the new company of approximately $50m., is represented partly by a holding of approximately 20 per cent. of the equity of The Becker and Warburg-Paribas Group and partly by loan capital. Subject to certain conditions, the equity holding will be increased to not less than 50 per cent. within a few years.

Brandeis, Goldschmidt and Company, the metal trading and refining group, earned £3,368,000 before tax compared with £1,584,000. This increase reflects the general expansion of trading activities during a period of fluctuating prices and also the consolidation for the first time of the results of a number of Continental European metal trading companies.

## AMERICAN ASSOC.

Profit of American Association increased from £111,148 to £158,096 during 1974 before tax of £53,006, against £23,644.

Dividend is 0.255p gross (nil), the maximum permitted and the directors say they intend to "make more realistic distributions as soon as circumstances permit."

The company owns land, and works coal, coke and timber in Kentucky and Tennessee.

## Higher sales at Vaux

ALTHOUGH it is difficult to be optimistic Mr. F. D. Nicholson, chairman of Vaux Breweries, says that the company's main trading areas of the North East and Scotland are holding up better than they have done in previous recessions.

Better weather has resulted in higher sales to date despite the effects of the Budget, he adds.

The company is concentrating on the development and modernisation of its plant and services in order to cope with the growing take-home trade brought about by the gap in the cost of "on" and "off-sales" but has been forced to cut back its long-term development plans, particularly in hotels and pubs, explains the chairman.

Plans are, however, being prepared to double the capacity of the Wards Brewery in Sheffield to cope with the advance in trade levels it has achieved since joining the group in 1973.

During the year to April 30, 1975 the group acquired 76 per cent. of a small Belgian brewery at Oudenaarde to develop the sales of Vaux beers in this market.

As known pre-tax profit for the year expanded from £3.81m. to £3.89m. and the dividend is stepped up from 11.91p to 12.85p net.

Meeting, Sunderland, on September 19, at noon.

Chairman's statement Page 24

## LANE FOX & PARTNERS

Lane Fox and Partners, surveyors and estate agents of Grosvenor Square, London, are not connected in any way with Lane Fox and Co., the property company which is seeking to apply for liquidation following its inability to meet its commitments.

## £0.28m. loss at C. B. R. Jersey

MANUFACTURERS of knitted jersey fabrics C.B.R. Jersey (Holdings) incurred a £275,570 loss before tax and extraordinary debits for the year to October 27, 1974, compared with a £72,787 profit for the previous year.

After a tax credit of £112,826 (£4,353) and debiting extraordinary items which totalled £205,042 (£313,146) the attributable loss emerges up from £236,000 to £367,786.

The Board anticipates a small loss for the first 24 weeks of the current year but states that company currently has a large order book with a wide spread of customers which has enabled production and sales levels to be improved.

The company is widening its sales outlets including "substantial" sales to the Soviet Union and is also receiving increasing support from the major fibre companies in the U.K.

| | 1973-74 | 1972-73 |
|---|---|---|
| | £ | £ |
| Turnover | 2,256,198 | 4,398,612 |
| Pre-tax loss | 275,570 | 72,787 |
| Tax credit | 112,826 | 4,353 |
| Extraordinary debit | *205,042 | 313,146 |
| Attributable loss | 367,786 | 236,006 |

* Comprised of a provision for a loss in investment in an associated company in the U.S.

A provision for the payment of guarantees given in respect of this associated company.

A provision against another investment in the U.S. and losses incurred on the closure of the garment division additional to those provided for in the accounts to October 28, 1973.

## W. Cumberland Silk Mills attacks costs

A complete review of all operations to identify cost savings and eliminate unprofitable lines at West Cumberland Silk Mills indicates so far a "considerable potential for the reduction of stock and thereby the release of capital," says the new chairman, Mr. Gordon Hay, in his annual statement.

He declines to forecast results but says that if hopes are realised and inflation is reduced in 12 months to the level envisaged by the Government, the company will benefit in the foreseeable future.

"However, during the transitional period while the measures are taking effect, we will have to closely monitor the sales trends. The company will be in a good position to take advantage of any improvement in trade."

The directors propose to change the name of the company to Sekers International. The name Sekers, one of the leading fashion and furnishing names, is controlled by the company through its subsidiaries.

The chairman describes the company's performance during the year ended March 31, 1975 as "reasonable." Profit before tax was down from £227,474 to £168,247 and dividend total is 1.5p net (1.54525p), as reported on June 17.

Meeting, Whitehaven, Cumbria, on September 2 at noon.

## ST. ANDREW TRUST

Dividend total for 1974 at St. Andrew Trust was 3.25p net and not 2.25p as reported yesterday in the interim statement.





# Thorn intends to keep lead

THE INTERNATIONAL electronics concern, Thorn Electrical Industries, is organised and equipped to maintain its leadership in its main product fields and all concerned will continue to strive to overcome the present economic difficulties and to ensure long-term success and profitability, states the chairman, Sir Jules Thorn, in his annual statement.

The accounts show a total of £10.99m., against £16.96m., capital expenditure sanctioned at March 31 subject to Government grants where appropriate, including £2.97m. (£8.19m.) not contracted for.

A statement of source and application of funds shows capital expenditure at £105.9m. during 1974-75, compared with £107.6m. the previous year. There was a net outflow of £24.1m. (£9.4m.) during the year.

As reported on July 17 in a full preliminary statement, profit before tax in the year to March 31, 1975, declined from £74.1m. to £65.4m. Dividends are up from 5.253p to 5.525p net.

A geographical analysis of turnover excluding inter-divisional transactions—£807m. (£738.7m.)—shows: U.K. £595.2m. (£564.5m.), Rest of Europe £112.7m. (£98.1m.), Africa £16.4m. (£14.2m.), Australasia £67.1m. (£53.5m.), Rest £15.6m. (£8.4m.).

Before interest charges of £11.5m. (£6.7m.), a split of the contribution to pre-tax profit of the various product groups shows:

| | 1974-75 £m. | 1973-74 £m. |
|---|---|---|
| U.K. companies including exports: | | |
| Consumer electronics | 47.4 | 48.2 |
| Domestic appliances | 13.6 | 12.6 |
| Lighting | 4.6 | 5.4 |
| Engineering | 10.2 | 6.6 |
| Terminated activities | *2.7 | *0.2 |
| Overseas companies: | | |
| Consumer electronics | *1.4 | 1.9 |
| Domestic appliances | 1.5 | 2.4 |
| Lighting | 3.4 | 4.9 |
| Engineering | 2.4 | 0.8 |
| Terminated activities | *2.1 | *0.9 |

* Loss.

Meeting, The Dorchester Hotel, W., on August 29 at noon.

## Scottish Equitable expands

New annual premium income of Scottish Equitable Life Assurance increased by 97 per cent. to a record £3.89m. in the first six months of 1975, compared with £1.97m. in the same period of 1974.

New sums assured reached £73m., against £64m. New annuities per annum were £12.7m. (£6.1m.), while new single premiums rose by 71 per cent. to £3.17m.

## UNIT TRUSTS

### Save and Prosper's balanced fund

In their annual report for the year ended May 15, 1975, the managers of the Save and Prosper Balanced Investment Fund say that with the relatively attractive yields now available on prime U.K. commercial property it is believed that this market is stronger than previously and the fund should benefit from its investment in this sector through the Save and Prosper Property Fund.

The managers were increasing liquidity during the first half year. But with the return of confidence in equity markets they began to increase and broaden the representation of equities in the fund. Holdings in the U.K. were substantially increased and further investment was made in the Japanese and U.S. markets.

At May 15 38.58 per cent. of the portfolio was invested in property and 37.17 per cent. in an international spread of equities, with U.K. shares accounting for 17.86 per cent. of the fund's total value, U.S. shares 12.08 per cent., Japanese holdings for 6.50 per cent. and Europe 0.78 per cent. Deposits amounted to approximately 13 per cent. of the portfolio and a further 10 per cent. consisted of British Government securities. The total fund amounted to £19.87m.

### SCOTSHARES

Half-yearly report to unitholders in Scotbits Securities Scotshares shows that during the 6 months to May 31, the fund's liquidity was reduced from 21.1 per cent. to 10.2 per cent. of the portfolio. The new equity investment was concentrated principally on Scottish-based investment trusts.

Holdings in the non-durable consumer goods sector were also increased, especially in companies supplying basic goods and services, and at May 31 this sector accounted for more than 30 per cent. of the fund.

The distribution for the period is 66p per 100 units making a year's total of 137p.

### EBOR GENERAL

Latest distribution from Ebor Securities' General Fund for the six months to June 1 is 72p per 100 units making a year's total of 146p compared with 137p for 1974.

During the period the equity content of the portfolio was increased substantially. But in view of volatile stock market conditions the managers retained 13.8 per cent. of the fund in liquid assets.

## RECENT ISSUES

### EQUITIES

| Issue Price p*** | Amount Paid Up | Latest Renunc. Date | 1975 High | 1975 Low | Stock | Closing Price p*** | + or − | Div. P. or Amount | Times covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ♣ | F.P. | — | 172 | 156 | Akroyd & Smithers | 155 | ...... | u12.5 | 1.7 | 12.1 | 7.6 |
| $106 | F.P. | — | £77 | £75 | Brazilian Invs. S.A. | £75 | ...... | — | — | — | — |
| 48 | F.P. | 11/7 | 56 | 48 | Clive Discount (20p) | 50 | ...... | 3.0 | — | 9.0 | — |
| 55 | F.P. | 21/8 | 66 | 66 | Lawrence (Walter) | 55 | ...... | b4.5 | 2.7 | 12.6 | 4.5 |

### FIXED INTEREST STOCKS

| Issue Price | Amount Paid up | Latest Renunc. Date | 1975 High | 1975 Low | Stock | Closing Price | + or − |
|---|---|---|---|---|---|---|---|
| ‡‡ | F.P. | 21/8 | 93 | 89¾ | Adwest Grp. 10½% Cnv. 95/2000 | 90 | ...... |
| £100 | F.P. | — | 101½ | £99½ | Barclays Bank Int 9¼% Capital Notes 1982 | 100½ | −1 |
| £100 | £10 | 7/11 | 11¼ | 10 | Barnet Corp. 15¼% 1980 | 10 | ...... |
| £100 | £10 | 7/11 | 12¼ | 10 | Do. Do. 14% '84/6 | 10 | ...... |
| £100 | F.P. | — | 100 | 98¼ | CSR 9¾% Notes 1980 | 98¼ | −1 |
| **£99 | £10 | 12/9 | 10½ | 9¾ | Camb. Water 9% Red. Pref. 1980 | 10 | ...... |
| £97½ | £50 | 12/9 | 50⅝ | 49⅝ | City of Westminster 13% Red. St. 1981 | 49¾ | ...... |
| £98½ | £10 | 5/12 | 11⅟₁₆ | 10⅟₁₆ | Derby C. C. 13¼% Stk. 1982 | 10⅟₁₆ | ...... |
| ♣£99 | F.P. | 29/8 | 100¼ | 99¼ | East Surrey Water 9% Red. Pref. 1980 | 99¼ | ...... |
| ♣£100 | Nil | — | 4 | ⅛ | English Properties 12% Conv. Ln. 2000/5 | ¼pm | ...... |
| £100 | F.P. | — | 106½ | 100 | HaniaFinance(U.K.)9%Conv GtdUnsLn85-90 | 103 | +½ |
| £99 | F.P. | 31/7 | 112 | 100⅜ | Folkstone Dist. Water 9% Red. Prf. 1980 | 100½ | ...... |
| £100 | £50 | 23/10 | 55¾ | 52 | Hoechst 10% Guar. Ln. 1990 | 55¾ | +¼ |
| ♣£100 | Nil | — | 3½ | 1½ | Land Secs 10% Conv. 90/5 | 1½pm | ...... |
| ♣£100 | F.P. | 21/8 | 107½ | 97 | Mitchell Cotts 13% Conv. Uns. '90/5 | 100 | ...... |
| £99 | £10 | — | 10¼ | 10 | Newcastle & Gate 9% Red. Prf. 1980 | 10 | ...... |
| £99 | F.P. | 31/7 | 112¼ | 100⅜ | N. Surrey Water 9% Red. Prf. 1980 | 100½ | ...... |
| ♣£100 | F.P. | — | 105 | 90 | Property Hldgs. & Inv. 9% Conv. '90/5 | 90 | ...... |
| £99 | F.P. | 29/8 | 99¾ | 98 | Sunderland Water 9% Red. Pref. 1980 | 99 | ...... |
| ‡‡ | F.P. | — | 90 | 77½ | Turner Curzon 16% Conv. Uns. '78-80 | 85 | ...... |
| ‡‡ | F.P. | 29/8 | 101¾ | 98¼ | Whitbread 11% Conv. 1996 | 99¼ | ...... |

### "RIGHTS" OFFERS

| Issue Price p*** | Amount Paid up | Latest Renunc. Dates † | Latest Renunc. Dates ‡ | Stock | Closing Price p*** | + or − |
|---|---|---|---|---|---|---|
| 18½ | Nil | 13/8 | 10/9 | Adams Foods | ¼pm | ...... |
| 110 | F.P. | 28/7 | 25/8 | Anderson Strathclyde | 105 | ...... |
| 45 | F.P. | 20/6 | 8/8 | Associated Engineering | 50 | +½ |
| 25 | F.P. | 7/7 | 21/8 | Barrow Hepburn | 33 | ...... |
| 46 | F.P. | 7/7 | 10/9 | BOC Intl | 41½ | +1 |
| 90 | Nil | — | — | B.T.R. | 23pm | ...... |
| 115 | F.P. | 21/7 | 1/9 | Bowater | 130 | +2 |
| 50p | F.P. | 25/7 | 5/9 | British Steam Specialties | 50 | ...... |
| 40 | F.P. | 3/7 | 8/8 | Carless Capel | 54 | +1 |
| 30 | F.P. | 21/7 | 29/8 | Century Oils | 34 | ...... |
| 36 | Nil | — | — | Clayton Dewandre | 8pm | ...... |
| A$1.56 | F.P. | 2/7 | 7/8 | Commercial Bank of Australia | 210 | +2 |
| 45 | Nil | 6/8 | 4/9 | CompAir | 5pm | ...... |
| 25 | Nil | — | — | Crellon | 1½pm | ...... |
| 41 | Nil | — | — | Crossley Building | 4pm | ...... |
| 65 | Nil | 21/8 | 16/9 | Davy Intl | 6¼pm | +1¾ |
| 72 | F.P. | 30/7 | 26/8 | Dunbee-Combex-Marx | 109 | ...... |
| 25 | Nil | 15/8 | 19/9 | Empire Stores | 28pm | ...... |
| 65 | F.P. | 4/7 | 21/8 | Ever Ready | 78 | −5 |
| 10p | F.P. | 4/8 | 5/9 | Feedex | 16 | ...... |
| 200 | F.P. | 4/7 | 7/8 | Glaxo | 338 | ...... |
| 25p | Nil | 15/8 | 5/9 | Hanson Tst. | 55pm | +2 |
| 25 | F.P. | 21/7 | 11/8 | Hazlewoods (Proprietary) | 25 | ...... |
| 10p | F.P. | 29/7 | 3/9 | Headlam Sims & Coggins | 12 | ...... |
| 20 | F.P. | 22/7 | 8/8 | Kwahu | 19 | ...... |
| 48 | Nil | 15/8 | 16/9 | Law Land | ¼pm | ...... |
| 103 | F.P. | 30/7 | 15/8 | Legal & General | 105 | ...... |
| 50 | F.P. | 18/7 | 21/8 | London United Invs. | 56 | −1 |
| 26p | F.P. | 23/7 | 20/8 | Macfarlane Group | 58 | ...... |
| 128 | Nil | 15/8 | 19/9 | McCorquodale | 15pm | +1 |
| 210 | F.P. | 1/8 | 29/8 | Metal Box | 207 | −1 |
| 32 | Nil | 20/8 | 2/10 | Morgan Edwards | 5pm | ...... |
| 10p | F.P. | 2/7 | 8/8 | NSS Newsagents | 46 | ...... |
| 60 | F.P. | 9/7 | 8/8 | Nurdin Peacock | 77 | +1 |
| 105p | F.P. | 21/7 | 29/8 | Pegler Hattersley | 110 | −1 |
| $A1.56 | Nil | — | — | Poseidon | 45pm | ...... |
| 5p | F.P. | 11/7 | 5/8 | Premier Cons Oilfields | 11 | ...... |
| 67 | F.P. | 24/7 | 19/8 | Redland | 70 | ...... |
| 105 | Nil | 11/8 | 5/9 | Renold | ½pm | ...... |
| 20 | F.P. | 4/7 | 8/8 | Rout Harvesters | 24 | +1 |
| 10 | F.P. | 28/7 | 12/9 | Senior Engineering | 13 | ...... |
| 27½ | F.P. | 10/7 | 21/8 | Serck | 31½ | ...... |
| 80p | F.P. | 28/7 | 12/9 | Siebe Gorman | 107 | −½ |
| 96p | F.P. | 25/7 | 5/9 | Smiths Industries | 94 | ...... |
| 170 | Nil | 8/8 | 3/10 | Tate & Lyle | 1½pm | −½ |
| 65 | F.P. | 17/7 | 7/8 | U.K. Optical | 82 | ...... |
| 50p | F.P. | 21/7 | 15/8 | Unicorn | 51½ | +½ |
| 55 | Nil | 15/8 | 12/9 | Westland Aircraft | 3¼pm | ...... |
| 110 | F.P. | 5/8 | 29/8 | Wheatsheaf Distribution & T. | 112 | ...... |

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 200 S.Afr. cents. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

BIDS AND DEALS

# Tilling buys hearing aid interests

THOMAS TILLING, the large industrial holding group, has expanded its medical equipment activities into hearing aids by acquiring interests from Energy Services and Electronics, a company which ran into cash problems through ventures in the North Sea.

Tilling will be paying £3.25m. in cash. It will go to reducing ESE's indebtedness, which by June 30 had reached £4.56m.

This is the second recent move by ESE to ease its cash position, its oil services interests having been sold in March to Plessey Company for £13,964—Plessey also taking over responsibility for £1.1m. of borrowings.

Tilling sees the purchase as continuing the expansion of its medical, health care and similar activities through its Intermed subsidiary. The hearing aid activities it has bought—which include such names as Viennatone, Bonochord and Alto—manufacture in the U.K. and Austria and in 1974 earned £839,000 pre-tax profits on sales of £4.42m.

ESE's pre-tax profits for 1974 fell from £803,000 to £456,000, heavily hit by interest payments, it was disclosed yesterday. After taking account of trading losses of almost £300,000 by subsidiaries sold since year end, and extraordinary losses of £1.64m.—mainly terminal losses arising on disposal of subsidiaries—there is a net deficit of £1.85m. and no dividend is being paid.

## HIRST AND MALLINSON PROGRESS

Shareholders of Hirst and Mallinson have approved the acquisition of the Staines Group for £500,000.

H. and M. has made good progress in the six months to July 31, 1975. Management accounts indicate turnover and profits are higher than last year and ahead of the budget which projects that profits for the year will exceed the £205,995 of last year.

The group will give high priority to development and expansion of the Staines Group, particularly in overseas markets where turnover currently is much higher than in previous years.

## ARKLOW POTTERY

Shareholders of Arklow Pottery have approved resolutions to permit the investment by Nippon Toki Kabushiki Kaisha in the equity of Arklow.

## RICHARDS (LEICESTER)

Richards (Leicester) has been informed by Wincobank Foundry and Engineering that it has acquired in excess of 18 per cent. of the Ordinary capital of Richards.

## TDG GROUP

Transport Development Australia (the Australian holding company in which TDG has a 70 per cent. interest) has acquired the capital of the Brisbane based cold storage undertaking of John Pinnell Cold Stores Pty. Consideration was $1.17m.

Pinnells own and operate 1.4m. cubic feet of cold storage on a freehold site at Morningside on the outskirts of Brisbane. Blast freezing facilities are also provided by the company.

## MYSON GROUP ACQUISITION

Myson Group has acquired from Sundstrand International Corporation SA the total manufacturing assets of the water circulating pump division of Sundstrand's U.K. and European subsidiaries.

Consideration is some £2.4m. cash. Payment has been made for the plant, machinery, tools and patterns at the book value of £484,734. The inventory of stock and work in progress valued at about £1.9m. will be paid for in 19 equal monthly instalments commencing on September 1, 1975. Final amount payable will be subject to a physical stock check now in progress and to auditors certification.

In addition to circulators produced for residential purposes Myson has acquired Sundstrand's product line of a range of circulating pumps for commercial and industrial applications, manufacturing facilities for which are to be relocated from Sweden as soon as possible to new premises close to the existing U.K. plant at Kings Lynn.

## RONEO-VICKERS BUILDS UP IN GERMANY

In a move to enlarge its business in Germany, Roneo Vickers—the office equipment division of Vickers—has bought Mathias Bauerle Gmbh, manufacturers of table-top offset duplicators and mailroom equipment, from Addressograph Multigraph International Corporation. Purchase price is $6.5m., although it is subject to adjustment reflecting variation in the net worth of the company.

Manufacture of Bauerle products will continue, as will existing arrangements for marketing these products by both Addressograph Multigraph and Roneo Vickers and, in certain instances, by Oce Nederland B.V.

Mathias Bauerle, located at St. Georgen in the Black Forest, employs 360 people and Roneo Vickers looks upon it as a significant strengthening of its position in the office reprographics field.

## ALEX HOWDEN U.S. BUY

Alexander Howden Group, the international insurance brokers and shipping agents, has expanded its U.S. business through a $5.5m. deal with Continental Corporation of New York.

Under the deal, Howden, through its subsidiary Howden Swan, has bought from Continental its Seaboard Fire and Marine Insurance Company division.

The purchase price of $5.5m. includes $1.5m. excess over assets of Seaboard, the payment being for insurance licences which Seaboard possesses.

The purchase is subject to verification by Howden of Seaboard's licences and assets.

## WILKINSON/EDDY

Warrington Products has now posted its formal cash offer for common shares in Eddy Match Company, Wilkinson Match's Canadian subsidiary.

Through this transaction Wilkinson will obtain 100 per cent. control of its match business in Canada and the name Eddy Match and all associated industrial property rights, and dispose of the majority of Eddy's business which is the manufacture of steel office equipment.

## LAND & GENERAL

A further 187,000 "A" Ordinary non-voting shares in Land and General Developments has been bought by Somerston Shipping Company. The shares, offered by a shareholder, were purchased at 17.1p each.

It is anticipated that formal offer documents on behalf of the Somerston Shipping Company and Channel International Trust to acquire Land and General shares already owned will be posted on or about August 14.

Terms of the unconditional cash offers are 45.25p for each Ordinary share and 18.1p for each "A" Ordinary non-voting share.

## ASSOCIATES DEALS

Joseph Sebag has bought 10,000 Lonrho at 115p on behalf of associates.

Boys-Stones Simpson and Spencer has purchased 1,250 Ferguson Industrial Holdings at 51p on behalf of an associate.

Simon and Coates bought on behalf of an associate of Whinsparken Investments 10,000 Charterhall Finance Holdings at 56p.

# Coutinho Caro U.K. growth

INCLUDING the results of new companies in South Africa and Australia for the first time for periods in excess of 12 months, pre-tax profit of the U.K. sector of Coutinho, Caro and Co., which supplies steel, chemicals and industrial plant, advanced from £1.36m. to £2.71m. during 1974.

Consolidated turnover, up from £24.72m. to £55.1m., includes an advance in sales from the original London companies from £24.72m. to £37.09m., the remaining £17.84m. relating to the new overseas subsidiaries.

Mr. H. A. Oppenheimer, joint chairman, in his annual report says that 1974 can be considered as "the year of the century" and the group cannot hope to match these achievements in a much harsher world economic climate.

## Transitory lull

The group is in an "outstandingly healthy financial position" after three years of boom conditions and he is confident that the current slack is merely a transitory lull—over the middle-term he "reckons with a growth in international steel exchanges and domestic consumption."

Costs have risen at an unprecedented rate at a time when new business has fallen off and the order book at the beginning of this year is much thinner than in the preceding year, he says.

Whereas it would be rash to make a forecast for 1975, "we shall always earn our keep," but the directors are prepared to accept that 1975 will be a year of consolidation at a much lower level rather than of progress.

The role of the chairman and managing director are to be divided. Mr. Oppenheimer will remain executive joint chairman but from July 1, 1975, Mr. Ralph D. Oppenheimer and Mr. Herbert Edomonds have been appointed joint managing directors.

| | 1974 £ | 1973 £ |
|---|---|---|
| Turnover* | 55,100,471 | 24,724,494 |
| Pre-tax profit | 2,706,937 | 1,356,954 |
| Tax | 1,345,051 | 655,885 |
| Minorities | 140,544 | — |
| Dividends | 100,000 | 80,000 |
| To reserves | 990,000 | 250,000 |
| Forward | 840,486 | 526,608 |

* Includes £17,841,347 from new overseas companies and £16,673,945 (£6,644,780) exports.

The results of the international group of companies will be published in due course.

An associate company, D. and F. Steels, which trades as steel and general export merchants and distributes and makes machinery for the reclamation industry, announces pre-tax profit down from £970,288 to £906,551 during 1974.

Turnover was up from £18.00m. to £23.87m. Tax absorbs £441,778 (£480,684), minorities £147,424 (£208,797) and dividends £30,000 (£30,000).

## BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

**TO-DAY**

Interims—English and New York Trust, Hellenic and General Trust, Madame Tussaud's, Westinghouse Brake and Signal.

Finals—AVP Industries, Gnome Photographic, Gold and Base Metal Mines, Hogg Robinson, Maybrook Properties, Benjamin Priest, Unitech.

**FUTURE DATES**

| | |
|---|---|
| **Interims—** | |
| Algemene Bank Nederland | Aug. 8 |
| British-American and Gen. Trust | Aug. 7 |
| Carrington Viyella | Aug. 13 |
| Corah | Aug. 13 |
| East Lancashire Paper | Aug. 7 |
| Guardian Royal Exch. Assur. | Sept. 10 |
| Hallam Sleigh and Cheston | Aug. 8 |
| Pye | Aug. 20 |
| Rowton Hotels | Aug. 7 |
| Securicor | Aug. 12 |
| Security Services | Aug. 12 |
| Trust Houses Forte | Aug. 7 |
| York Trailer | Aug. 6 |
| **Finals—** | |
| AGB Research | Aug. 11 |
| Arbour Court Investments | Aug. 15 |
| Group Investors | Aug. 8 |
| Hawthorn Baker | Aug. 8 |
| James (John) | Aug. 8 |
| Joseph (Leopold) Inv. Tst. | Aug. 19 |
| Peters Stores | Sept. 11 |
| Primrose Industrial | Aug. 6 |
| Stroud Riley Drummond | Aug. 7 |
| Sturla (George) | Aug. 15 |
| Wagon Industrial | Aug. 7 |

# Bibby & Baron optimistic

Despite reduced demand and increased competition on prices, Mr. Richard Dent, chairman of Bibby and Baron (Holdings), the paper, paper and plastic bag and packaging materials group, says the group is more than maintaining its share of available business.

At the annual meeting yesterday Mr. Dent said that present economic pessimism was leading to a reduction in demand and greater competition on prices.

"However, I am pleased to report that we are more than retaining our full share of available business. I believe we have now seen the worst and that we shall emerge from this tunnel of gloom, stronger than ever and well placed to claim our full reward."

## RKT BORROWINGS

Robert Kitchen Taylor and Company has announced that borrowings of group are in excess of the £5m. which the directors are permitted to borrow.

It is felt that the present limit is inadequate both for current requirements and future expansion and therefore an extraordinary meeting to ratify the current excess level of borrowing and to increase borrowing powers to £10m. has been called for August 25.

H. A. N. Brockman looks at two segments of London's ecclesiastical history

# The prophetic stone under St. Paul's Cathedral

IT WAS 300 years ago, in 1675, that the foundation stone of the present St. Paul's Cathedral was laid. There is a fascinating and true story of the occasion. "In the beginning," it was written at the time, "of the new works of St. Paul's, an incident was taken notice of by some people as a memorable omen, when the Surveyor had set out, upon the place, the dimensions of the great dome, and fixed upon the centre; a common labourer was ordered to bring a flat stone from the heaps of rubbish (such as should first come to hand) to be laid for a mark and direction to the masons; the stone which was immediately brought and laid down for that purpose happened to be a piece of a gravestone, with nothing remaining of the inscription but this single word in large capitals, 'RESURGAM' (I shall rise again)."

Thus was established the continuity of a great building, lately destroyed by fire, which had stood on the site for far longer than the St. Paul's we know to-day. The Great Fire burst the old stone walls asunder and brought down the vaulting amid streams of molten lead. During five days, the fire destroyed one house every 30 seconds, and made some 250,000 people homeless.

## Unusable

In addition to this destruction of the great cathedral nearly all the City's churches became, at the least, unusable. It is reported that the City once possessed 126 of these places of worship, many of them of pre-Conquest foundation. Now there are but 43, only 23 of which fulfil parochial functions.

St. Paul's itself, in part celebration of this 300th year, uses the illuminating incident of the foundation stone to stage a telling exhibition in the Crypt tracing the building's history. Devised under the direction of the Surveyor to the Fabric, Dr. Bernard Feilden, the photographs, documents and other reminders of both its past and present trace vividly not only the design stages of the building but the problems of pollution (which continue to be serious) and the aspects of maintenance and care which arise from day to day. This is an exhibition which should surely be made permanent as a revenue producing factor in the explanation to tourists of the Cathedral's history.

The visual impact of the building after its completion in 1710, together with the complementary dazzling constellation of spires within the City wall, could still to a great extent be appreciated until a few years before the last war. The first outrageous interference came from the controversial Government telegraph building in Queen Victoria Street which effectively masked the view from the south west across the river. Immediately before that, although most buildings exceeded the earlier domestic height maximum of 40 feet, it was still possible to appreciate the wonderful effect gained by Wren in lifting the exterior walls as an additional storey to screen the narrow height of the nave above the aisles and thus to give a horizontal division to the whole building so that the close view, hemmed in by buildings, could limit itself to the brilliant details, carving up to the main cornice while the distant view saw a complete building above the rooftops of the new city.

To many people to-day the history of the City churches starts and ends with Wren, so it is a salutory reminder to find a well-illustrated book to give the story of these churches, excluding St. Paul's, which begins before Wren's time and ends much after it, although his is the major contribution. The authors, Malcolm and Esther Quantrill, sensibly divide their account between the pre-Fire churches, of which there are 11, the "Wren" churches, 32 of them, and the remaining eight post-Wren buildings, including the Spanish and Portuguese Synagogue in Bevis Marks.

Of the pre-Fire buildings, St. Bartholomew the Great is the oldest and the grandest, even without its great nave which was pulled down in about 1539.

The major part of church rebuilding after the Great Fire, as handled by Wren, was to enrich the City with an amazing series of exclamation marks, exemplified in the brilliance and variety of his church spires, often arising from the mediaeval base of the original tower. The material was mainly the Portland Stone of which St. Paul's was built, but he also used brick in a peculiarly Netherlandic way, as in St. Benet's Paul's Wharf and St. Mary Abchurch.

## Elegant

His spires are extremely original interpretations of Renaissance architecture, using classical detail to retain the aspiring forms of gothic steeples. This is very clear in the steeple of St. Brides, St. Lawrence Jewry and St. Mary-le-Bow. But one of the very best and most elegant is the delicate work on St. Vedast Foster Lane. This was the cheapest of all his replacements, costing but some £1,850. Yet the spire has almost the quality of silversmiths' modelling and, as the authors point out, the alternation of concave and convex forms is strongly characteristic of "Borromini's work" at St. Agnese in Rome.

Wren's other major contribution was to re-plan many of the mediaeval nave and chancel forms by widening the nave by the addition of aisles so that the preacher might more easily be heard, to instal galleries and to introduce the pulpit and the boxpew.

To Charles Dickens the City churches were not appealing: ". . . rot and mildew and dead citizens formed the uppermost scent," he wrote. "They remain like tombs of the old citizens who lie beneath them and around them, monuments of another age." Apparently the Church authorities felt very much the same, for 16 of Wren's buildings were sold off by the Victorian ecclesiastical authorities to enable them to build new churches for the growing population in the new outer suburbs.

The St. Paul's exhibition and this book are useful and welcome additions to the ecclesiastical history of the City.

*Monuments of Another Age. Malcolm and Esther Quantrill. Quartet Books, £5.95.*

# World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on August 4, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not aavilable; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

| Place and Local Unit | | Value of £ Sterling |
|---|---|---|
| Afars & Issas | Djibouti Franc | 367.0(sg) |
| Afghanistan | Afghani | 154 (A) |
| Albania | Lek | (O)10.10(A) (T)25.25(A) |
| Algeria | Dinar | A 8.29(sg) |
| Andorra | French Franc | 9.54 |
| | Spanish peseta | 125.06 |
| Angola | Ang. Escudo | 56.55 |
| Antigua (S) | E. Caribbean $ | 4.80 |
| Argentina | Ar. Peso | (com) 60.09 (fn) 75.85 |
| Australia (S) | Australian $ | 1.6479 |
| Austria | Schilling | 38.80 |
| Azores | Portug. Escudo | 56.55 |
| Bahamas (S) | Ba. Dollar | 2.1458 |
| Bangladesh (S) | Taka | 29.95(sg) |
| Bahrein (S) | Dinar | 0.855 |
| Balearic Is. | Spa. Peseta | 125.40 |
| Barbados (S) | Barbados $ | 4.28465 |
| Belgium | B. Franc | (cm) 81.80 (fn) 85.05 |
| Belize | B$ | 4.0 |
| Bermuda (S) | Bda. $ | 2.1420 |
| Bhutan | Indian Rupee | 18.5596(sg) |
| Bolivia | Bolivian Peso | 42.84 |
| Botswana (S) | S. A. Rand | 1.528808 |
| Brazil | Cruzeiro | 17.34 |
| Br. Solmn Is. (S) | Australian $ | 1.6479 |
| Br. Virgin Is. (S) | U.S. $ | 2.1420 |
| Brunei (S) | Brunei $ | 5.3076 |
| Bulgaria | Lev | (O) 2.24 (T) 2.77 |
| Burma | Kyat | (A)15.306(sg) |
| Burundi | Burundi Franc | 171.5546 |
| Cambodia | Riel | n.a. |
| Cameroon Rp. | C.F.A. Franc | 467 |
| Canada | Canadian $ | [illegible] |
| Canary Is. | Spanish Peseta | [illegible] |
| Cape Verde Is. | Cape V. Escudo | [illegible] |
| Cayman Is. (S) | Cay. I. $ | [illegible] |
| Cent. Afr. Rp. | C.F.A. Franc | 467 |
| Chad | C.F.A. Franc | 467 |
| Chile | C. Escudo | [illegible] |
| China | Renminbi Yuan | [illegible] |
| Colombia | C. Peso | [illegible] |
| Congo (Brazzaville) | C.F.A. Franc | 467 |
| Costa Rica | Colon | 18.4212 |
| Cuba | Cuban Peso | [illegible] |
| Cyprus (S) | Cyprus £ | [illegible] |
| Czechoslovakia | Koruna | [illegible] |
| Dahomey | C.F.A. Franc | 467 |
| Denmark | Danish Krone | 12.75½ |
| Dominica (S) | E. Caribbean $ | 4.80 |
| Domin. Rep. | Dominican Peso | 2.1420 |
| Ecuador | Sucre | [illegible] |
| Egypt | Egyptian £ | [illegible] |
| Ethiopia | Ethiopian $ | [illegible] |
| Eq'tl Guinea | Peseta | 125.05 |
| Falkland Is. | Falkland Is. £ | 1.0 |
| Faroe Is. | Danish Kroner | 12.75½ |
| Fiji Is. | Fiji $ | [illegible] |
| Finland | Markka | [illegible] |
| France | French Franc | 9.54 |
| Fr. C'tyin Af. | C.F.A. Franc | 467 |
| Fr. Guiana | Local Franc | 9.34 |
| Fr. Pac. Is. | C.F.P. Franc | [illegible] |
| Gabon | C.F.A. Franc | 467 |
| Gambia (S) | Dalasi | [illegible] |
| Germany (East) | Ostmark | [illegible] |

| Place and Local Units | | Value of £ Sterling |
|---|---|---|
| Germany West | Deutschemark | 5.48½ |
| Ghana (S) | Cedi | 2.47 |
| Gibraltar (K) | Gibraltar £ | 1.00 |
| Gilbert & Ellice Is. (S) | Aust. Dollar | 1.6479 |
| Greece | Drachma | 70.7715 |
| Greenland | Danish Kroner | 12.75½ |
| Grenada (S) | E. Caribbean $ | 4.80 |
| Guadaloupe | Local Franc | 9.34 |
| Guam | U.S. $ | 2.1420 |
| Guatemala | Quetzal | 2.1420 |
| Guinea Rep. | Sily | n.a. |
| Guinea Bissau | ♥ ♥ | ♥ ♥ |
| Guyana (S) | Guyanese $ | 5.21 |
| Haiti | Gourde | 10.71 |
| Honduras Rep. | Lempira | 4.28 |
| Hong Kong (S) | H.K. $ | 10.8576 |
| Hungary | Forint | (com) 104.41 (ncnT)48.07 |
| Iceland (S) | I. Krona | 340.25 |
| India (S) | Ind. Rupee | 18.5598(sg) |
| Indonesia | Rupiah | 888.950 |
| Iran | Rial | (A)145.85 |
| Iraq | Iraq Dinar | 0.7854 |
| Irish Rep. K. | Irish £ | 1.00 |
| Israel | Israel £ | 15.1121 |
| Italy | Lira | 1,425 |
| Ivory Coast | C.F.A. Franc | 467 |
| Jamaica (S) | Jamaica Dollar | 1.9458 |
| Japan | Yen | 658 |
| Jordan (S) | Jdn. Dinar | 0.683(sg) |
| Kenya (S) | Ken. Shilling | 15.2918 |
| Korea (Nth) | Won | n.a.(g) |
| Korea (Sth) | Won | 1,040.12 |
| Kuwait (S) | Kuwait Dinar | [illegible] |
| Laos | Kip | [illegible] |
| Lebanon | Lebanese £ | [illegible] |
| Lesotho | S. African Rand | [illegible] |
| Liberia | Liberian $ | [illegible] |
| Libya | Libyan Dinar | [illegible] |
| Liechtenstein | Swiss Franc | [illegible] |
| Luxembourg | Lux Franc | [illegible] |
| Macao | Pataca | [illegible] |
| Madeira | Portug'se Escudo | [illegible] |
| Malagasy Rp. | MG Franc | [illegible] |
| Malawi (S) | Kwacha | [illegible] |
| Malaysia (S) | Ringgit | [illegible] |
| Maldive Is. (S) | Mal. Rupee | [illegible] |
| Mali Rp. | Mali Franc | [illegible] |
| Malta (S) | Maltese £ | [illegible] |
| Martinique | Local Franc | [illegible] |
| Mauritania | Ouguiya | [illegible] |
| Mauritius (S) | M. Rupee | [illegible] |
| Mexico | Mexican Peso | [illegible] |
| Miquelon | C.F.A. Franc | [illegible] |
| Monaco | French Franc | [illegible] |
| Mongolia | Tugrik | [illegible] |
| Montserrat | E. Caribbean $ | [illegible] |
| Morocco | Dirham | [illegible] |
| Mozambique | Moz. Escudo | [illegible] |
| Nauru Is. | Aust. Dollar | [illegible] |
| Nepal | Nepalese Rupee | [illegible] |
| Netherlands | Guilder | [illegible] |
| Neth. Ant'les | Antilian Guild | [illegible] |
| New Hebrides | [illegible] | [illegible] |
| N. Zealand (S) | N.Z. Dollar | [illegible] |
| Nicaragua | Cordoba | [illegible] |
| Niger Rp. | C.F.A. Franc | [illegible] |
| Nigeria (S) | Naira | [illegible] |
| Norway | Norwg Krone | [illegible] |
| Oman Sultanate of | Rial Omani | [illegible] |
| Pakistan (S) | Pak. Rupee | [illegible] |
| Panama | Balboa | [illegible] |
| Panama Canal Zone | U.S. $ | [illegible] |
| Papua N.G. (S) | Aust. Dollar | [illegible] |

| Place and Local Unit | | Value of £ Sterling |
|---|---|---|
| Paraguay | Guarani | 267.07 |
| P'pl's D. Rp. of Yemen (S) | S. Yemen Dinar | (A)0.72 |
| Peru | Sol | ex/c 82.89 (A)95.05* |
| Philippines | Ph. Peso | 16.155 |
| Pitcairn Is. (S) | £ Sterling / New Zealand $ | 1.6867 |
| Poland | Zloty | (Bas) 41.28 (T)71.0 |
| Portugal | Port. Escudo | 56.55 |
| Port Timor | Timor Escudo | 56.55 |
| Principe Isle. | ♥♥ | ♥♥ |
| Puerto Rico | U.S. $ | 2.1420 |
| Qatar (S) | Qatar Ryal | 8.59 |
| Reunion Ile de la | French Franc | 9.54 |
| Rhodesia | Pound ●● | n.a. |
| Romania | Leu | (cm)10.82 (n/cnT)26.56 |
| Rwanda | Rwanda Franc | 215.92 |
| St. Christopher (S) | E. Caribbean $ | 4.80 |
| St. Helena (S) | £ Sterling | — |
| St. Lucia (S) | E. Caribbean $ | 4.80 |
| St. Pierre | C.F.A. Franc | 467 |
| St. Vincent (S) | E. Caribbean $ | 4.80 |
| Salvador El | Colon | 5.35 |
| Samoa (Am) | U.S. $ | 2.1420 |
| San Marino | Italian Lira | 1,425 |
| Sao Tome | ♥♥ | ♥♥ |
| Saudi Arabia | Ryal | 7.64 |
| Senegal | C.F.A. Franc | 467 |
| Seychelles | S. Rupee | 15.55 |
| Sierra Leone (S) | Leone | [illegible] |
| Singapore (S) | Singapore $ | [illegible] |
| Solomon Is. (S) | Australian $ | [illegible] |
| Somali Rep. | Somali Shilling | [illegible] |
| South Africa (S) | Rand | [illegible] |
| S.W. African Territories (S) | S.A. Rand | [illegible] |
| Spain | Peseta | [illegible] |
| Span. Ports in N. Africa | Peseta | [illegible] |
| Sri Lanka (S) | S.L. Rupee | [illegible] |
| Sudan Rep. | Sudan £ | [illegible] |
| Surinam | S. Guilder | [illegible] |
| Swaziland (S) | Lilangeni | [illegible] |
| Sweden | S. Krona | [illegible] |
| Switzerland | Swiss Franc | [illegible] |
| Syria | Syria £ | [illegible] |
| Taiwan | New Taiwan $ | [illegible] |
| Tanzania (S) | Tan. Shilling | [illegible] |
| Thailand | Baht | [illegible] |
| Togo Rp. | C.F.A. Franc | [illegible] |
| Tonga Is. (S) | Pa'anga | [illegible] |
| Trinidad (S) | Trin. & Tobago $ | [illegible] |
| Tunisia | Tunisian Dinar | [illegible] |
| Turkey | Turkish Lira | [illegible] |
| Turks & Caicos | U.S. $ | [illegible] |
| Tuvalu | [illegible] | [illegible] |
| Uganda (S) | Ug. Shilling | [illegible] |
| U.S.S.R. | Rouble | [illegible] |
| Uruguay | Uruguay Peso | [illegible] |
| Utd. Arab Emirates | U.A.E. Dirham | [illegible] |
| U.S.A. | U.S. Dollar | [illegible] |
| Upper Volta | C.F.A. Franc | [illegible] |
| Vatican | Italian Lira | [illegible] |
| Venezuela | Bolivar | [illegible] |
| Vietnam (Nth) | Dong | [illegible] |
| Vietnam (Sth) | Piastre | [illegible] |
| Virgin Is. U.S. | U.S. Dollar | [illegible] |
| Western Samoa (S) | Samoan Tala | [illegible] |
| Yemen | Ryal | [illegible] |
| Yugoslavia | New Y Dinar | [illegible] |
| Zaire Rp. | Zaire | [illegible] |
| Zambia (S) | Kwacha | [illegible] |

* That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

† Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

‡ A decimal currency for the dollar, equal to 10 Rhodesian ... [illegible]

◆ Rate now ... February 17, 1975 ... [illegible]

◆ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Fr.5 to one unit of the new currency.

(†) General rate: oil and iron exports [illegible].

(‡) The Mongolian tugrik has lately been reported to stand at an official commercial rate of [illegible] Russian roubles, and the North Vietnam dong at [illegible] roubles, and the North Korean won at [illegible] roubles. With the pound standing at [illegible] roubles the following ... [illegible]

♥♥ Information not available for this edition.

◆ Rate is the Transfer market (controlled).

‡‡ Rate now based on 2 Barbados $ to the dollar.

APPOINTMENTS

# Dr. G. Rose to head Shell Research unit

Dr. G. G. Rose has been appointed director of the Thornton Research Centre of SHELL RESEARCH from December. Dr. Rose, at present manager of Teesport refinery, Middlesbrough, succeeds Professor T. M. Sugden, who becomes Master of Trinity Hall, Cambridge, from January 1, 1976.

*

Mr. Hugh E. Martin-Leake has been appointed a director of MONO PUMPS. He has also become a director of the other operating companies that comprise Mono Group in the U.K. He was previously with British Steel Constructions (Birmingham).

*

AYRSHIRE METAL PRODUCTS has appointed Miss M. D. Stevens as company secretary succeeding Mr. James Millar following his appointment as managing director. Mr. C. H. Fraser, Mr. G. Grant and Mr. D. R. Moon, directors of Metal Trim, have been co-opted to the Board of the parent company.

*

Mr. Martin Jourdan, who is managing director of Parker Knoll Furniture, has been appointed deputy chairman of the PARKER KNOLL GROUP in addition to his existing responsibilities. It is intended that he will take over as chairman from Mr. Hans Jourdan in August next year.

*

Mr. A. B. Sanders, general manager of the Animal Health Division, has been appointed to the Board of SMITH KLINE AND FRENCH LABORATORIES.

*

Mr. S. Patrick Whaley has retired from the Board of JOHNSON AND JOHNSON.

*

Mr. Richard G. Sparrow has been appointed a director of WILLIAM PICKLES AND CO.

*

Lord Greenwood of Rossendale has been appointed chairman, and Dr. James G. Sommerville, vice-chairman, of the BRITISH COUNCIL FOR REHABILITATION OF THE DISABLED.

*

Mr. G. A. Allan and Mr. J. H. Jarman has retired from the Board of VICTOR WOLF. The two vacancies are being filled by the appointment to the Board of Mr. L. P. Bann, chief buyer and Mr. R. R. Jessel (non-executive).

*

Mr. R. A. Huskisson has been appointed chairman of the Economic Development Committee for the Hotels and Catering Industry at the NATIONAL ECONOMIC DEVELOPMENT OFFICE. Mr. Huskisson is chairman of Lloyd's Register of Shipping.

*

Mr. Archibald Paterson has been appointed a non-executive director on the main Board of the DEREK CROUCH GROUP.

*

Mr. Costas Ioannides has been appointed to the Board of BANK OF CYPRUS (LONDON) as finance director.

*

Mr. John A. Dare, Jr., a director of London Multinational Bank, has been appointed managing director of the Hong Kong-based merchant bank, BARING SANWA MULTINATIONAL from September 1. Mr. Dare, who will remain on the Board of London Multinational Bank has been seconded to his new post for two years.

*

Mr. J. G. Quinton and Mr. A. E. Bagley have been appointed general managers of BARCLAYS BANK. Mr. C. V. Toole becomes a regional general manager for the London Region. He will be succeeded as regional general manager for the North West Region by Mr. D. R. C. Cross, at present a local director of Barclays Southampton District.

*

Mr. C. M. de Boer has been appointed secretary of the PANEL ON TAKE-OVERS AND MERGERS in place of Mr. H. J. Trembath, who remains an assistant director general. Mr. de Boer is currently on secondment to the Panel from James Capel and Co.

*

Mr. R. J. Hobbs has been appointed chairman of STAG PLASTICS in succession to Mr. E. N. J. McCorquodale who has resigned as chairman but remains on the Board. Mr. Hobbs will be succeeded as managing director by Mr. M. W. Mills who until April of this year, was managing director of the McCorquodale Group's vacuum forming business in South Africa.

*

Mr. Colin Brockington has been appointed a director and secretary of ROBERTS AND BIRCH. Mr. George Cannon, chief executive of Fitch Lovell, of which Robirch is a member, becomes chairman of Robirch following the retirement of Mr. Trevor Beer. Mr. R. J. Ashton is now responsible for Midlands and Northern division sales of Robirch, and Mr. B. S. Atkin is now responsible for the Evesham and Birmingham factories.

*

Mr. R. H. Lewis (Labour MP for Carlisle), has joined the Board of ANSVAR INSURANCE COMPANY.

*

Mr. H. V. Keating, deputy chairman of Southern Gas, has been appointed deputy chairman of West Midlands by BRITISH GAS, with effect from October 1. He succeeds Mr. K. E. Jones, who is retiring.

*

Mr. E. T. Rice has been appointed group financial director of BIGLAND (HOLDINGS).

*

Mr. Charles H. Burder has joined the Board of CARRON HYDRAULICS, a division of Carron Company.

*

Mr. Arthur Chamberlain has been appointed chairman of A. E. JENKS AND CATTELL following the death of Mr. G. W. Wood. Mr. Bruce Sutherland, the deputy chairman, has resigned from the Board at his own request. Mr. Robin Jenks has been appointed managing director.

*

Mr. J. C. Clarke has been appointed commercial director and Mr. B. Maltby, technical director of the recently formed CONDER LICENSING, a member of the Conder Group.

FILM AND VIDEO — BY JOHN CHITTOCK

# Back to basics—please

TWO RARE events have been experienced by the sponsored film Press in London over the last fortnight—screenings of good, old-fashioned industrial films. The first was deliberately intended to be nostalgic, because the occasion was a celebration by Shell to mark the 40th year of the Shell Film Unit. The second function was the Press screening of a new sponsored film from Wimpey, Flaminda—Rain by Computer—a rare delight which served as a sharp reminder that the art of the cinema has almost departed from industrial sponsorship.

Shell was really the first company to demonstrate consistently how this new art form could be effectively harnessed to the needs of industry. Its first production, screened again at the Unit's anniversary lunch, was Airport. This, released in 1935, was produced by the Unit's first head, Mr. Edgar Anstey, who is still very much alive, well, and active. Airport told the story of Croydon's air terminal with only the most subtle and natural references to aviation fuel, and, 40 years later, it is still a very good film by any standards.

## Cracks

The new Wimpey film carries on, in 1975, the cinematic tradition that Shell demonstrated so well. But, in 1975, such excellence and such feeling for cinema as a skilful servant of industrial purpose is a very rare experience indeed. It served as a reminder that the productions we are exposed to nowadays are not only like so much moving wallpaper but that, like living with wallpaper, the cracks have spread without anyone actually noticing.

Why is Flaminda—Rain by Computer so good and so rare? It tells the story of the first fully automatic, computer-controlled irrigation scheme, in an area in Romania approximately the size of the Isle of Wight. A Wimpey company designed and organised the equipment for the three main pumping stations, regulator gates and computer controls. The story of this huge project is, in itself, fascinating, but, like all good stories, it owes much of its attraction to the skilful telling. In lesser hands, it would be tedious, and its social relevance would be swamped by the technology. Of greater importance, the film is cinematic in the old-fashioned style: it is visually rewarding, it moves, it has good variation in pace, and the sound track adds an imaginative dimension of its own (especially with some specially-composed electronic music which takes some Romanian folk tunes for its theme).

## Cheaper

For an example of the contemporary trend towards anti-cinema, the Advertising Association has sponsored a film to answer many traditional criticisms of advertising (for example, it increases prices for the consumer, is misleading, even positively irresponsible). Advertising in Perspective follows current trends by relying almost entirely on the formula of talking heads, albeit very good talking heads, with the incisive Mr. Llew Gardner to represent objectivity.

The studio discussion on film can be cheaper to produce (one reason for its increasing popularity). And, of course, it happens to be a style to which we are now all conditioned through our television screens. So it is almost an inevitable trend of the times. It works up to a point, but it offers little incentive for an audience to give its undivided and enthusiastic attention, especially (as in this case) for as long as 50 minutes. If the audience is not a committed or sympathetic group, the cause may be irrevocably lost.

The alternative is to resort to the old-fashioned art of the cinema, where the spoken word is supplemented by visuals that add their own extension or counterpoint to what is being said; where movement and pace keep the audience alive and interested. Would the Advertising Association, one wonders, regard a full page advertisement set in solid eight point type with display headings as a suitable way to project an important message on an emotive subject?

The epitome of anti-cinema is the tape/slide programme, now enjoying extraordinary popularity with industrial sponsors. Unfortunately, if the pictures in a slide programme are irrelevant to the message or point being made, as so often they seem to be, and if they fail to exploit the unique impact of still photography, an almost invariable weakness, then they are left without the one last advantage that even a bad film can rely on—movement. Nearly every tape/slide programme I have seen has been a poor, cheap and ineffective substitute for a film. It is economics and convenience which have made this medium popular, not inherent excellence.

Taking the trend even further, the audio-cassette is now bidding for a place in the industrial arena. Several sound cassettes on industrial and commercial subjects are now about to hit the market, while Management Training last week released a multi-media package which includes an audio-cassette. The complete kit, called Where's the Trust?, comprises a film (or videocassette), overhead transparencies, printed leader's guide and an audio-cassette. The subject is industrial relations.

## Paramount

Remove the extra dimension of vision from talking heads, putting the dialogue on to a sound cassette only, and the need for brilliance in the words and their delivery becomes paramount. The Advertising Association, at least, had both of these qualities; Where's the Trust? has neither. Without even pictures to hold its audience, the words are painfully revealed as those of uncomfortable actors reading self-conscious dialogue that is trying to sound working class.

If sound alone is to be used, it must have something exceptional to offer—like the real, live unscripted dialogue I have heard from a trade unionist on a Rank audio-cassette; spoken with such sincerity and cogency that it made a lasting impact on me. If plain words alone are to be used, there is no substitute for reality.

There is a place for the other media and styles that compete with the original concepts of cinema. But unfortunately too many sponsors are failing to recognise the characteristics that should govern their choice; they are driven by cost alone to indifferent if not completely useless solutions.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

# French computer merger hits snags

BY ROBERT MAUTHNER

PARIS, August 4.

THE MERGER of France's state-owned computer group, the Compagnie Internationale de l'Informatique (CII) with the American controlled Honeywell Bull, which was approved by the French Government last May, has been running into difficulties.

The main obstacle appears to be the reluctance of one of the two main shareholders in CII, the leading French electronics company Thomson CSF, to accept *some of the clauses of the* original merger agreement concluded by the Compagnie Generale d'Electricite (CGE) and Honeywell, under which the latter would obtain effective managerial control of the new company, CII-Honeywell Bull.

Under the original agreement, Honeywell Information Systems (HIS) would control only 47 per cent. of the merged group, while 53 per cent. would remain in French hands, divided between the state and CGE. One of the clauses which has lately been brought to light, however, reveals that the U.S. company would control decisions on world research and development operations by virtue of a provision giving a voting majority to whichever of the partners has the higher turnover.

Although HIS's stake in the new company is smaller on paper, it will be higher than the French participation if calculated on a consolidated basis: this is reported to be the American partner's interpretation of the agreement. HIS, in fact, intends all the operations of its British and Canadian subsidiaries to be taken into consideration in the calculation of its turnover.

The other major difficulty in the negotiations have been caused by Thomson's understandable opposition to the provisions which directly affect its own activities. Under the draft agreement, for instance, Thomson is due to take over CII's Toulouse plant and its military, space and mini-computer operations. But its position has been made virtually untenable by a clause which would effectively *prohibit it from* competing with CII-Honeywell Bull in these fields, including the lucrative telephone communications sector, for at least 15 years.

Although the negotiations are not deadlocked, they are proving to be more complicated than foreseen and may last very much longer than expected before a final agreement is reached.

# Deutsche Bank slightly ahead at half-way mark

BY GUY HAWTIN

FRANKFURT, August 4.

WEST GERMANY'S largest commercial bank, the Deutsche Bank, reports a small increase in profits during the first half of the current year. But the bank, the last of the "big three" to make its interim report, appears to be showing a slightly slower rate of profit growth than its rivals, Dresdner Bank and Commerzbank.

According to the interim statement, the bank's pre-tax profit, excluding trading on its own account totalled DM266.7m. in the first six months. This is some 3.3 per cent. better than average half-year profits in 1974.

As far as its own account trading is concerned, profits were up in the bond and stock markets sector, while earnings from foreign exchange dealings declined. Pre-tax profits including own account trading were "somewhat over half of the previous year's profit," said the executive Board.

Interest earnings in the first half of 1974 totalled DM813.9m., compared with DM814.3m.—half of the entire previous year's interest earnings. The previous year's standards were more or less being maintained, said the report, because a slight drop in interest margins had been offset by an average 2 per cent. increase in business volume.

Interest earnings in the report period stood some DM11.5m. higher than staff and other administration costs. This, however, shows a considerable decline in performance, as half of the surplus of interest earnings against operating costs in 1974 was DM31.8m.

Earnings on services, however, rose steeply in the first half-year. They were up 12.7 per cent. to DM255.2m., compared with half of the 1974 figure. A prime reason for the climb was higher commission earnings on dealings in securities.

Operating costs rose by 2.5 per cent. to DM802.4m., compared with half of the previous year's total (DM782.5m.). Personnel costs went up 1.4 per cent. to DM649.3m., while material costs rose 7.7 per cent. to DM153.1m.

The business volume of the bank at the half-way mark lay 0.7 per cent. under the position at the 1974 year-end. The balance-sheet total of DM50.18bn. remained virtually unchanged from the year-end figure of DM50.33bn.

The German savings boom has also benefited the life insurance business, the Association of Life Insurance Companies said in Bonn to-day. In the first six months of 1975 the Association, which numbers over 100 member companies, reports that new policy business saw an 11.9 per cent. rise worth DM35.7bn. over first half 1974 new policy value of some DM31.9bn.

# Good performance by Bayerische Vereinsbank

BY GUY HAWTIN

Frankfurt, August 4.

*BAYERISCHE VEREINSBANK* of Munich reports that, despite a noticeable fall in interest rates, earnings on interest, bank credit and mortgage business have risen substantially. According to its interim report on the half year's performance they have gone up by 14 per cent. against the same period of the previous year to *DM253.4m.* At the same time, there has been an even greater increase in commission earnings for the bank's services. These are up by a full 27 per cent. on the previous year's total to DM53.1m.

Costs have also moved upwards. Expenditure on personnel increased by 10 per cent. from DM131m. to DM143.4m. Material costs rose by 11 per cent. from DM48.6m. to DM55.2m. The report also states that risk provisions will have to be strengthened.

The management reports that demand for credit remains weak and that the volume of both exchange credit and advances to customers remains under the level recorded at the end of 1974.

The balance sheet total of the bank at the end of the first six months stood at DM25.9bn.—some DM400m. more than that recorded on December 31, last year. Savings deposits in the report period rose by 11.3 per cent. to DM5.1bn. and total liabilities roseb y DM720m. to DM15.4bn.

# Setback at Deutsche Unilever

BY GUY HAWTIN

FRANKFURT, August 4.

DEUTSCHE UNILEVER, reports a massive turnover increase in 1974 but a heavy decline in profits. Earnings, however, are "still acceptable," says the management.

Group turnover last year reached DM7.51bn., says the annual report. This is a full 26 per cent. increase on the previous year's DM5.96bn. Net profits fell by 12 per cent., however, from DM255m. in 1973 to DM223m.

Last year was unusually difficult. Deutsche Unilever—the nation's largest groceries and washing products manufacturer—was hit by stagnation in terms of volume growth, heavy monetary losses and high interest policies, says the report.

The heavy increase in turnover was largely attributable to price increases and therefore reflected inflation rather than volume growth. The group had been particularly affected by rises in the oil price and rises in the price of commodities used to make fatty oils. In real terms the business volume had increased by only 2 to 3 per cent.

Results remained satisfactory, said the report, because the circumstances in 1974 had substantially changed compared with the previous year. The crunch had come largely in the second half of 1974. There had been a noticeable drop in sales and a marked reluctance to consume. Coupled with this there had been a strong increase in prices of imported raw materials. The 1974 results had to be seen in the light of the 1973 "boom year" and the "normal" 1972 business year.

As far as 1975 was concerned, the fall in consumer demand was still noticeable in the opening months of the year. At this point in time, says the annual report, it was not possible to forecast the year's outcome.

Against this background, Deutsche Unilever was endeavouring to take measures to adapt itself to the changed circumstances and rationalise investment to lower the pressure of costs. Investment in 1974 fell from the previous year's DM265m. to DM228m. And in the current circumstances really large investment projects were not likely to be carried out.

A sector-by-sector breakdown of operations shows that in 1974 the proportion of turnover generated in the groceries sector rose from the previous year's 47 per cent. of the total to 55 per cent. Grocery sales rose by over 36 per cent. to over DM4bn.

Ice cream and deep frozen food sales totalled DM764m. and accounted for 10 per cent. of turnover in 1974 compared with 12 per cent. the previous year. Washing products, soap, physical hygiene and cosmetic product sales totalled DM635m. and accounted for 9 per cent. of turnover against 10 per cent. a year earlier. Fish and fish products, totalling DM719m., accounted for just over 9 per cent. of sales against 10 per cent. the previous year, while the packing products, plastics and paper sector business, worth DM490m., generated an unchanged 7 per cent. of sales. The share of the other small operations in group turnover fell from 14 per cent. to 10 per cent.



# Major Iranian borrowings

By Mary Campbell

THE FIRST of what is expected to be a series of major Euromarket financings for Iranian borrowers has now been completed. It is $80m. for the paper products manufacturer, Hepco, and has been provided by a group of German banks headed by Berliner Handelsgesellschaft Frankfurter Bank. Maturity is 1½ years and spread reportedly 1½ per cent.

Other loans which are still in the market include $30m. for seven years for Irano Reading and Bates, an oil drilling company jointly owned by the Industrial and Mining Development Bank of Iran and the American Reading and Bates Group. Lead manager is the Iran Overseas Investment Bank. The Iranian private bank, Bank Pars, is borrowing $10m. for three years.

These loans are expected to be a prelude to major borrowings by other Iranian entities the arrangement of which is likely to extend into next year. It is thought that a major borrowing, perhaps as much as $500m., may result from a new joint venture between Iran and Japan called the Iran-Japan Petrochemical group. Although one rumoured Euromarket loan—of $30m. for one year—did not in the end materialise, since the funds were provided by the Iranian Government. Proposed projects are expected to call for finance of more than $1bn. Of this about half is already thought to have been arranged by the Japanese. Some Euromarket sources suggest that part at least of the Iranian half may be sought on the Euromarkets.

Euromarket sources say that major Iranian financings in the next few months are expected to be project-related rather than non-specific Government borrowings, such as are currently being arranged by Iraq and Algeria.

* * *

Transamerica Financial of Canada is arranging a Can$15m. issue on the Eurobond market. The six-year issue offers a 9¾ per cent. coupon. Lead manager is Merrill Lynch.

# Dr. Rosenbaum's assets may be allocated

By L. Daniel

TEL AVIV, August 4.

A proposal that all assets in Israel belonging to Dr. Tibor Rosenbaum, his defunct International Credit Bank of Geneva or his Vaduz Companies be allocated to his Israeli creditors has been made by three court-approved Swiss representatives of the creditors of the bank and the companies.

The main Israeli creditors are the Israel Corporation and the Zim Israel Navigation Company. Israel Corporation director, Mr. I. Gal-Edd told the Financial Times this morning that he was having the assets in Israel evaluated and that, on the face of it, the proposal seemed a logical one.

The main assets here are a 22 per cent. share in ATA, Israel's oldest vertically-integrated textile concern, most of the shares in Lodzia, another veteran textile producer, and a 50 per cent. share in the Ramtam duty free shops.

The sum owed to the Israel Corporation is $8.5m. and to Zim $11m.

The total evaluation of Dr. Rosenbaum's assets in Israel and abroad by the Swiss liquidator of the International Credit Bank will only be completed by the end of October and no final decision on their allocation will be taken until then.

# Swedish bond issues rise

By John Walker

STOCKHOLM, August 4.

SWEDISH BOND and debenture issues made during the first six months of this year rose by 19 per cent. (Kr.2.4bn.) to a total of Kr.14.7bn., compared with the same period last year, the Central Bureau of Statistics states in its latest report. Borrowings from abroad accounted for a greater part of the increase, which amounted to Kr.2.1bn. compared with Kr.233m. in the same period of 1974.

State Bond issues amounted to Kr.4.6bn. compared with Kr.4.4bn. in the first six months of 1974, of which Kr. 1.7bn. was premium *and savings bonds. Local* authority bond issues amounted to Kr.688m.—up from Kr.270m. Housing finance institutes dropped marginally to Kr.6bn. At the same time, company and industrial financing showed a large increase from Kr.1.3bn. in the first half of 1974 to Kr.3.2bn. this year.

ANHEUSER-BUSCH

# The fight to stay on top

BY ARTHUR JONES

LAST YEAR, 36-year-old August A. Busch III (known as "Augie") was thrust into the positions of president and chief executive officer of Anheuser-Busch Inc., America's biggest brewers, with annual sales of $1.4bn. (£636m.).

Mr. Busch took over the helm at a critical time for Anheuser-Busch. Sales were increasing, but profitability had been declining for two years.

Rapidly rising raw materials prices were making a bad picture worse, especially as Mr. Busch's father (and predecessor) had refused to allow cheaper materials to be used, materials that would reduce the quality of the famous "Budweiser" beer.

In the U.S. the top five brewers have about 64 per cent. of the market. Even while the beer market is growing only at between 3 and 5 per cent. annually, the big brewers have been increasing sales by as much as 10 to 12 per cent. a year, taking business away from regional brewers, many of which are going out of business.

The rapid growth for the major brewers can be seen in comparisons between their sales volumes in 1974 and 1973: Anheuser-Busch, 34.9m. 31-gallon barrels in 1974, 5m. more than in 1973; Jos. Schlitz (22.6m., up from 21.8m.); Pabst (14m., up from 13.1m.); Coors (12.3m., up from 10.9m.); Millers, owned by Philip Morris tobacco company (9m. up from 6.9m.).

## Market share

Analysts believe these top five brewers will have 80 per cent. of the U.S. market by 1980. Mr. Busch III wants 30 per cent. of it.

To accomplish that goal, Anheuser-Busch has to be much more profitable than of late. In 1972, Anheuser-Busch's best year, it had net income of $72.3m. (£32.8m.) on sales of $977m. (£444m.), giving earnings per share of $1.70 (77p). In 1973, sales were up to $1.1bn. (£459m.), but earnings were $65.5m. (£29.7m.), giving earnings of $1.46 (66p) a share. In 1974 the company reached sales of $1.4bn. (twice than of Jos. Schlitz, its closest competitor), but earned only $64m. (£29m.), or $1.42 (64.5p) a share.

By contrast, number two in sales Jos. Schlitz, in 1972 had earnings per share of $1.58 (71p); in 1973 $1.90 (86p); in 1974 $1.69 (76p).

Early one morning recently Mr. Busch III talked about his plans for Anheuser-Busch. He spent an hour rolling off figures, making projections, anticipating trends.

All eyes are on Mr. Busch III. Though heir apparent, he has to earn the right to be chairman of the Board one day. He will have to do it by paying attention to the bottom line. The profit figures have to please the Board, the investors and, to some extent, the employees.

Mr. Busch cannot demand a top slot by virtue of his family's stock holdings—they amount to about 15 per cent. (By contrast, at Jos. Schlitz, where Robert A. Uihlein Jr. is president, the Uihleins control some 80 per cent. of the stock.)

The younger Busch has to improve per barrel profitability, sales profitability, and continuously seek ways to expand capacity. He knows that the top five brewers can sell every can and bottle of beer they can produce—their marketing is better than their current ability to boost capacity. And Mr. Busch knows that bringing new capacity on stream quickly will keep the volume leader ahead of the rest.

Mr. Busch III refers to the competition by personifying their brand names. He refers to them as "Mr. Schlitz, Mr. Coors, Mr. Miller," but made no reference to "Mr. Pabst."

"Mr. Schlitz," according to Mr. Busch III, has been watching Anheuser-Busch for a long time, "-capacitywise." Schlitz's recent good years came from a lower per-barrel cost than Anheuser-Busch, the result, Jos. Schlitz Brewing Company insists, of efficiency. Not so, said Mr. Busch III. He suggested it was less efficiency than a switch to cheaper materials to make the Schlitz brew.

The Anheuser-Busch beer, "Budweiser" (there are several other brand names), is brewed for 32 to 40 days. It uses high priced "brewing adjuncts" such as rice and natural hops. Schlitz, with a brewing cycle of up to 20 days, uses cheaper adjuncts, such as corn syrup and hop extracts.

Jos. Schlitz's own declining earnings this year have given a psychological boost to the number one market leader. With a barrel capacity nearly 50 per cent. greater than Schlitz, Anheuser-Busch has already gone from 10 per cent. of the national market in 1964 to 23 per cent. by 1974. Mr. Busch III wants to maintain that momentum.

## Parvenu

Who is to prevent it? Mr. Busch III discussed the glamorous parvenu to the U.S. beer "big time," the until-recently privately owned Adolph Coors Company "Coors" beer. Film stars drink it and feature writers produce articles about New Yorkers "smuggling" it to the East Coast (it is available only west of the Mississippi).

But Mr. Busch III explained his lack of apprehension regarding Mr. Coors "going national." "Mr. Coors" has only one brewery—reputedly the world's largest with an annual output of 381m. gallons. "Before Mr. Coors can conquer the eastern seaboard, or even sell east of the Mississippi, he has to think about building another brewery."

Coors brewery is in Golden, Colorado—1,800 miles from New York. Because Coors beer has no artificial preservatives, it has a much shorter shelf life than the other market leaders. Coors has to be shipped by refrigerator lorry, and kept in refrigerators at the liquor stores and in the supermarkets.

To supply the eastern half of the United States from Colorado could be extremely expensive. Coors's recent decision to go public, plus its absence of any serious debt, means it can afford to expand. But by the time Coors has additional capacity on stream, Anheuser-Busch hopes to be further ahead than ever, adding within three years a further 14m. barrels, more than Coors's existing brewing capacity.

With capacity improving Mr. Busch III has to ensure that costs are equally closely watched; his breweries, increasingly, are manufacturing their own cans (packaging is 60 per cent. of the beer cost). The corporation is developing its industrial product division. Anheuser-Busch has "leisure activities," but the company is a brewer, and always will be a brewer.

How successful is it? There was a time that a company could be said to have arrived when its product name became a generic term, like "Kodak," or "Hoover," or "biro." In the U.S. these days a corporation has arrived when its corporate logo or symbol becomes a national art form.

The Budweiser beer can label is such an art form. It can be seen on the ubiquitous T-shirts, emblazoned on summertime "bowler hats" and beach towels, on belts, deck shoes, and balloons. Nor is all this just free publicity. Anheuser-Busch has licensed promoters to produce 8,000 items carrying the "Budweiser" label. It is a $10m. a year business, from which the corporation draws royalties.

But the place the label most matters is on the "Bud" beer can.

And Mr. Busch III may find that the pledge to quality may be the best tradition the family has as he seeks greater profitability and an ever-increasing share of the national market.

# Patrick Partners rescue plan

BY KENNETH RANDALL

CANBERRA, August 4.

WITH THE Sydney Stock Exchange closed to-morrow for the August Bank Holiday, further efforts are being made to revive the failed stockbroking firm, Patrick Partners, one of the *largest in Australia.*

A rescue plan prepared by the trustee of the partners, Mr. J. H. Jamison, was frustrated at the eleventh hour on Friday. But Mr. Jamison said he was still optimistic that the partnership could be saved, that he would not have to call a creditors' meeting and that everyone would get their money back.

Mr. Jamison said that the plan he had prepared could not be revealed "because of the actions of other people" but it was not stated what the actions were. Friday had been regarded as the virtual deadline for a firm rescue proposition but the timely Bank Holiday has given a further chance for discussion.

According to Mr. Jamison, four other brokers have offered to take over the client list of Patricks. He had also received offers of $A2m. in finance (the amount necessary to mount a rescue) and nearly 60 employees of the partnership have been retained in their jobs.

Mr. Jamison added that analysis of the Patrick Partners books showed current assets of $A10.1m., current liabilities of $A10.3m., fixed assets of $A1.3m. and partners' funds at $A1.1m. A doubtful loan of $A2.23m.—the reason for the partnership's cessation of trading—was in*cluded in the current assets. If* the loan is not, in fact, recovered, there would be a net deficit of $A1.1m.

Patrick Partners made the loan to Patrick Intermarine Acceptances which, in turn, had lent $A2.12m. on call to Patrick Corporation, the investment company of the group. Patrick Corporation, 28 per cent. owned by Patrick Partners, has told Patrick Intermarine Acceptances that it would not be able to repay the loan if it were called at present.

The snag in Mr. Jamison's plans is believed to be the fact that Patrick Corporation is now in provisional liquidation on the *petition of the Commercial Bank*ing Company of Sydney. The appointment of a provisional liquidator freezes the company's assets and the loans situation.

Rescue plans are therefore centring on a direct infusion of funds into Patrick Partners or Patrick Intermarine. Mr. Jamison is required to post a statement of Patrick Partners' affairs by August 13 and to call a meeting of creditors by August 22.

# Qantas boss retires

BY KEN RANDALL

CANBERRA, August 4.

SIR DONALD ANDERSON, chairman of Qantas Airways and formerly Australian director-general of civil aviation, has retired because of ill-health. He has been full-time chairman of Qantas since 1973 and will remain on the Board as a part-time director. The vice-chairman of Qantas, Mr. R. Law-Smith, has been appointed acting chairman.

Sir Donald's retirement means that the Government's two top aviation jobs are now vacant. Sir Frederick Scherger retired recently from the chairmanship of the Australian National Airlines Commission which runs the domestic airline, Trans-Australia Airlines.

There are suggestions that the Government may consider a dual appointment to incorporate some rationalisation between the domestic and overseas carriers.

# Cautious times at SFC

By Godfrey Grima

MALTA, August 4.

SIVONDS FARSONS CISK, Malta's only brewers, made a pre-tax profit of £M375,280 (£M241,822) despite harrowing trading difficulties.

Addressing the company AGM chairman Mr. Anthony Miceli Farrugia said the company must tread cautiously to escape being hit by the current recession. He reported that although there was a slight increase in the sale of beers, beverages were still showing a declining trend.

# No growth at Stad Rotterdam

By Friso Endt

ROTTERDAM, August 4.

STAD ROTTERDAM, the big Dutch insurance company expects profits to equal those for 1974 this year. Also, the company says in the prospectus for a new issue of shares, it is most likely that dividend will be the same for last year.

The outlook for this year is that gross profits in the second half of this year will show an increase of 15 per cent., just as in the first six months of 1975. For the whole of this year, the company expects a gross profit of Fls.26.6m. against Fls.23.1m. last year.

*Net* profits last year were Fls.14.2m. while the dividend was 25 per cent. and 2.5 per cent. of this was paid in shares.



Company Results

# Genstar second quarter rise

- Genstar second quarter earning per share rose to $Can. 1.10 (90 cents). Net income was $Can.12.8m. (10.2m.) from revenues of $Can.198m. (170m.).
- Pfizer second quarter earnings rose to 47 cents per share (41) on net of $33m. (29.2m.) on sales of $393.2m. (372.8m.). The 1974 results are restated for the LIFO change for most of the company's domestic pharmaceutical, agricultural and chemical operations.
- Upjohn reported record sales for the second quarter totalling $240.860m. up 13.7 per cent. from sales of $211.854m. in second quarter of 1974. Net earnings for the quarter were $19.355m., or 66 cents per share, compared with $20.758m. or 70 cents per *share in 1974 period,* the drop in earnings being attributed primarily to escalating costs and expenses.
- Engelhard Minerals/Chemicals second quarter net earnings were $1.11 per share (1.11) or net of $33.223m. (30.69m.) on revenues of $1.16bn. (1.28bn.).
- Cutler-Hamer sales for six months to June 30 rose to $187.11m. (182.50m.). Net income fell to $6.58m. ($8.11m.) or $2.00 ($2.46) per share. The chairman states that the company continues to expect a relatively steady performance for the rest of the year, with some upturn in business anticipated towards the end of the year.
- American Airlines reported net earnings of $4.0m., or 14 cents a share for June, compared with earnings of $10.53m., or 37 cents a share for June of last year. The airline had a net loss of $4.078m. or 14 cents a share in the second quarter. In the same period of 1974 net earnings were $13.135m., or 46 cents a share. Revenues in June amounted to $148.651m., a decrease of 0.5 per cent. from the same month of last year. At the same time, expenses rose 9.4 per cent. to $143.001m. Second quarter revenues were $412.542m., up 1 per cent. over last year's quarter.



## SELECTED EURODOLLAR BOND PRICES
## MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer |
|---|---|---|
| Amax 8½pc 1986 | 99¾ | 100¼ |
| Ashland 8pc 1987 | 90½ | 91½ |
| Austraswiss 8pc 1987 | 90 | 91 |
| BFCE 9pc 1980 | 98 | 99 |
| Borregaard 8½pc 1989 | 93 | 94 |
| Carrier 8pc 1987 | 90½ | 91½ |
| Conoco 8pc 1986 | 96 | 97 |
| Consd. Foods 7½pc 1991 | 85 | 86 |
| Cutler Hammer 8pc 1987 | 90 | 91 |
| EIB 9¼pc 1985 | 100 | 101 |
| Esso 8pc 1986 Nov. | 98¾ | 99¼ |
| General Cable 8½pc 1987 | 88½ | 89½ |
| General Motors 8½pc 1986 | 102 | 103 |
| GTE 8½pc 1986 | 97½ | 98½ |
| ICI 7¾pc 1992 | 78 | 80 |
| Nat. Grindlays 7½pc 1987 | 77 | 79 |
| Pacific Light 8pc 1988 | 90½ | 91½ |
| Prov. of Quebec 7½pc 1986 | 87 | 88 |
| Quebec Hydro 8½pc 1988 | 96 | 97 |
| Queensland 8½pc 1987 | 88 | 89 |
| Scanraff 8½pc 1988 | 96½ | 97½ |
| Shell 8pc 1986 | 97½ | 98½ |
| Standard Oil (Inc.) 8½pc '88 | 99½ | 100½ |
| Tenneco 7¾pc 1987 | 87 | 88 |
| Transocean 8pc 1986 | 97 | 98 |
| TRW 8½pc 1986 | 96 | 97 |
| Utah 8pc 1987 | 91 | 92 |
| Volvo 9½pc 1985 | 99½ | 100½ |

| NOTES | Bid | Offer |
|---|---|---|
| Air France 9¼pc 1982 | 101 | 102 |
| Aust. Ind. Dev. 10½pc 1981 | 102 | 103 |
| Barclays 7½pc 1976 | 97 | 99 |
| Cie Ntl. du Rhone 10pc '82 | 102 | 103 |
| Du Pont 7½pc 1978 | 100 | 101 |
| Esso 7½pc 1978 | 100 | 101 |
| General Motors 8½pc 1976 | 100½ | 101½ |
| Marubeni 9½pc 1982 | 99 | 100 |
| Nippon Fudosan 10½pc 1981 | 102 | 103 |
| Skand. Enskilda 10½pc 1981 | 103 | 104 |
| Tenneco 7½pc 1979 | 98 | 99 |
| Tokyo Curacao 10½pc 1981 | 102 | 103 |

Source: White Weld Securities.

| CONVERTIBLES | Bid | Offer |
|---|---|---|
| American Express 4¼pc '87 | 85 | 87 |
| Ashland 5pc 1988 | 78 | 80 |
| Beatrice Foods 4¼pc 1992 | 92 | 94 |
| Beatrice Foods 4½pc 1992 | 92 | 94 |
| Borden 5pc 1992 | 89 | 91 |
| Broadway Hale 4½pc 1987 | 74 | 76 |
| Canon Camera 7½pc 1989 | 85 | 87 |
| Carnation 4pc 1987 | 86 | 88 |
| Chevron 5pc 1988 | 99 | 101 |
| Dart 4¾pc 1987 | 85 | 87 |
| Eastman Kodak 4½pc 1988 | 112 | 114 |
| Economic Labs. 4½pc 1987 | 83 | 85 |
| Eidat 7½pc 1989 | 90 | 92 |
| Ford 6pc 1986 | 85 | 87 |
| Ford 5pc 1988 | 73 | 75 |
| Fuji 6½pc 1985 | 108 | 110 |
| General Electric 4¼pc 1987 | 82 | 84 |
| Gillette 4¾pc 1987 | 76 | 78 |
| Gould 5pc 1987 | 80 | 82 |
| Halliburton 4¼pc 1987 | 128 | 130 |
| Harris 5pc 1992 | 66 | 68 |
| Hitachi 6¼pc 1984 | 102 | 104 |
| Honeywell 6pc 1986 | 78 | 80 |
| ITT 4½pc 1987 | 67 | 69 |
| Komatsu 7½pc 1990 | 103½ | 104½ |
| J. Ray McDermott 4¾pc '87 | 145 | 147 |
| Mitsui 7¼pc 1990 | 140 | |
| J. P. Morgan 4¼pc 1987 | 112 | 114 |
| Motorola 4¾pc 1988 | 116 | 118 |
| Owens Illinois 4½pc 1987 | 88 | 90 |
| J. C. Penney 4½pc 1987 | 80 | 82 |
| Pioneer 8¼pc 1989 | 125 | 130 |
| Rand Selection 6½pc 1986 | 95 | 100 |
| Rank 4½pc 1988 | 41 | 43 |
| Revlon 4½pc 1987 | 96 | 98 |
| Sperry Rand 4¼pc 1987 | 95 | 97 |
| Squibb 4½pc 1987 | 85 | 87 |
| Toshiba 6½pc 1990 | 100 | 101 |
| Union Carbide 4¾pc 1982 | 101½ | 103½ |
| Warner Lambert 4¼pc 1987 | 83 | 85 |
| Warner Lambert 4½pc 1988 | 79 | 81 |
| Xerox 5pc 1988 | 76 | 78 |

Source: Kidder, Peabody Securities.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

# Further 8.4 loss on inflation fears

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 4.

THE RETREAT continued on Wall Street to-day, when investors grew more concerned by recent indications inflation has revived.

The Dow Jones Industrial Average dipped a further 8.45 to 818.05 and the NYSE All Common Index gave way 48 cents to $46.62, while three timse as many issues declined as advanced. Volume, however, shrank a further 700,000 shares to 12.62m.—its lowest level of the year.

Among the latest developments keeping investors on the sidelines was a report by Purchasing Agents that production material costs have risen, and comment that economists were becoming concerned about rising food costs.

But analysts said investor demand also was hampered by Mid East uncertainties and a report that bank prime interest rates may head upwards again soon.

Boeing were off at $25¾, although it reported higher second quarter profits.

Heublein gave way $1⅞ to $39⅞, Walst Disney $1⅞ to $43⅛, Eastman Kodak $1⅞ to $94¼, and Avon Products $2¼ to $40⅞.

Santa Fe International shed $¾ to $28 on lower second quarter profits.

Hewlett-Packard lost $1⅞ to $101½ on a Press report suggesting that it might experience a lower earnings period in the near future as a result of downward pressure on prices of its calculators.

IBM surrendered $1⅝ to $187⅞ and Du Pont dropped $2 to $122.

Steels and Motors eased, while Oils followed a mixed path.

General Electric, National Semiconductor and Practor and Gamble each eased, as did Southern Co. and Fannie May.

Polaroid and International Paper were each firm.

The American SE Market Value Index moved down 0.55 to 88.68, with declines outnumbering advances by 424 to 180. Volume rose to 1.375m. shares against 1.310m. last Friday. Syntex, the most active issue gave way $1¼ to $31¾ on 49,700 shares.

Also active were Phoenix Steel, off $⅜ to $3⅜, Champion Homebuilders, unchanged at $4, National Patent Development, down $¼ to $12 and Nolex, up $⅜ to $11⅞.

## OTHER MARKETS

### Canada mixed

Canadian Stock Markets were mixed in quiet trading yesterday, when Toronto was closed for a holiday.

The Montreal Industrial Share Index lost 0.69 to 196.64 and Utilities shed 0.31 to 129.80, but Banks moved up 0.84 to 271.52 and Papers firmed 0.04 to 114.39.

Canadian Tire "A" added $1¼ at $50¼ but Hollinger Mines "A" were down $¾ to $39⅞ and Westcoast Transmission were off $⅜ to $20⅜.

PARIS—Mixed, with isolated firm spots in quiet trading.

Banks firmed slightly but other sectors drifted, with the interim turnover figures having little effect on prices.

Carrefour fell Frs.30 to 1,910, despite reporting higher first half-year sales.

Poclain were weaker in Engineerings.

U.S. stocks were mixed, Golds and Germans lost ground, while International Oils were higher.

AMSTERDAM—Generally firm in continued dull conditions.

Most Internationals gained. Philips put on Fls.0.2, Royal Dutch Fls.0.20 and Unilever Fls.0.20, but Akzo eased Fls.0.1.

Major Banks rose markedly ahead of half-year results.

Local Industrials were mixed. Heineken moved up Fls.2.60 to 160.1.

State Loans eased.

BRUSSELS—Mixed, with almost all Foreign stocks marked lower on lack of interest but local issues showed a majority of gains. Trading continued very quiet.

Gold Mines drifted lower.

GERMANY—Lower on profit-taking and lack of new factors.

Banks and Engineerings showed the heaviest losses, with Deutsche Bank falling DM8.80 to 320.1, although it reported slightly higher first half year profits.

Demag fell DM8 to 168, GHH DM5.7 to 193 and KHD DM5.50 to 168.

In Motors, Daimler lost DM7.50 to 311, while Schering dropped DM10 to 402 among Chemicals.

Elsewhere, falls were generally around DM3.

High interest and short term Public Bonds put on up to DM0.15 on demand helped by Money Market liquidity. Foreign Mark Loans were mixed.

SWITZERLAND — Narrowly irregular in continued quiet trading.

Banks generally improved, as did Financials apart from easier Interfood "B" off Frs.50 to Frs.2,350.

Small gains predominated in Insurances.

Among the few active issues, Juvena fell Frs.5 to Frs.585.

Swiss Credit Bank advanced Frs.10 to Frs.2,890.

Among Industrials, Electrowatt gains Frs.10 to Frs.1,900.

State Bonds were quietly steady.

In a quiet Foreign sector, Dollar stocks generally weakened, Dutch internationals were barely steady, while Germans lost ground.

COPENHAGEN—Mixed in moderate dealings. Commodities and Shippings higher, Industrials narrowly mixed.

VIENNA—Mostly steady.

OSLO—Banks and Insurances firmer, Industrials and Shippings quiet.

MILAN—Mixed trend, with activity extremely slow.

Bonds were about maintained in featureless trading.

TOKYO—Slightly firmer in thin trading. Volume 90m. shares.

Sony added Y60 at 3,400, Matsushita Electric Industrial Y13 at 509, TDK Electronics Y33 at 827 and Pioneer Y30 at 1,500.

Alps improved Y24 to 741. Other Electrical Household Appliances rose in sympathy.

Pharmaceuticals were also higher on selective buying.

Johannesburg — Gold shares were steady at lower levels in small volume. "Smaller" priced shares with "heavyweights" were little tested.

Financial Minings were mixed. Platinums were off the top, while Coppers were mixed. Other Metals and Minerals were neglected.

Industrials were easier on lack of support.

AUSTRALIA—Mixed in quiet trading, with Industrials marginally firmer, while Minings were easier.

Hamersley shed 1 cent to $A1.55, despite an increased interim dividend.

Pancontinental put on 10 cents to $A560. Utah remained steady at $A8, MIM eased 5 cents to $A202.

BHP eased 2 cents to $A702.

Among Financials, ASL firmed 3 cents to 58 cents on profit for the June half-year ahead of the December half-year.

Myer lost 2 cents to $A1.46.

Bank of Adelaide dipped 2 cents to $A1.58. Pioneer Sugar gained 5 cents to $A405.

## Indices

### NEW YORK

DOW JONES AVERAGES

| Close | Home Bonds | Transport | Indus. | Util. | Trading volume† 000's |
|---|---|---|---|---|---|
| Aug. 4 | 68.67 | 167.98 | 818.06 | 78.06 | 12,620 |
| 1 | 68.64 | 160.40 | 826.50 | | 13,320 |
| July | | | | 79.63 | |
| 31 | 68.61 | 161.83 | 831.51 | 79.50 | 14,540 |
| 30 | 68.82 | 161.26 | 831.66 | 79.34 | 16,150 |
| 29 | 68.66 | 159.29 | 824.86 | 79.50 | 19,000 |
| 28 | 68.83 | 160.23 | 827.84 | 80.11 | 14,850 |
| 25 | 68.61 | 161.22 | 834.09 | 80.01 | 15,110 |
| 24 | 69.28 | 161.56 | 840.27 | 81.13 | 20,560 |
| 23 | 68.97 | 162.69 | 836.67 | 82.37 | 20,150 |
| 22 | 68.96 | 167.12 | 846.76 | 83.14 | 20,650 |
| 21 | 68.81 | 170.16 | 845.74 | 83.30 | 16,690 |
| 18 | 68.83 | 170.20 | 862.41 | 83.65 | 16,870 |
| 17 | 68.88 | 172.16 | 864.28 | 83.61 | 21,430 |
| 16 | 68.93 | 172.61 | 872.11 | 84.74 | 26,250 |
| 15 | 68.91 | 173.88 | 881.81 | 84.71 | 28,340 |
| 14 | 68.90 | 172.89 | 875.88 | 84.48 | 21,900 |
| 11 | 68.79 | 172.69 | 871.09 | 84.20 | 22,210 |
| 1975 High | 68.92 (4/4) | 174.12 (5/5) | 881.81 (15/7) | 87.67 (24/6) | — |
| Low | 66.16 (3/1) | 146.47 (2/1) | 632.04 (2/1) | 72.02 (2/1) | — |
| All-time High | — | 279.88 (7/2/69) | 1051.70 (11/1/73) | 163.32 (20/4/65) | — |
| Low | — | 13.23 (8/7/32) | 41.22 (8/7/32) | 10.58 (28/4/42) | — |

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

| Aug. 1 | July 25 | Aug. 2, 1974 |
|---|---|---|
| 4.69 | 4.64 | 4.91 |

N.Y. SE ALL COMMON INDEX
December 31, 1965=50.

| 1975 High | 1975 Low | Aug. 4 | Aug. 1 | J'ly 31 | J'ly 30 | J'ly 29 |
|---|---|---|---|---|---|---|
| 51.24 (16/7) | 37.06 (2/1) | 46.62 | 47.10 | 47.52 | 47.56 | 47.20 |

RISES AND FALLS

| Issues traded | Up | Down | Unchanged |
|---|---|---|---|
| 1,792 | 347 | 1,066 | 379 |

| | Aug. 4 | Aug. 1 | J'ly 31 | J'ly 30 | J'ly 29 |
|---|---|---|---|---|---|
| New Highs | 6 | 7 | 19 | 11 | 4 |
| " Lows | 15 | 9 | 6 | 12 | 12 |

AMERICAN SE MARKET VALUE INDEX
Starting base 100 Aug. 31, 1973.

| | 1975 High | 1975 Low | Aug. 4 | Aug. 1 | J'ly 31 | J'ly 30 | J'ly 29 |
|---|---|---|---|---|---|---|---|
| | 96.80 (15/7) | 62.20 (2/1) | 88.68 | 89.25 | 89.96 | 88.96 | 89.65 |
| Volume (000's) | | | 1,380 | 1,310 | 1,750 | 1,740 | 2,120 |

U.S. STOCK INDICES
STANDARD AND POORS

| | | *Industrials | †Composite |
|---|---|---|---|
| Aug. | 4 | 97.75 | 87.15 |
| | 1 | 98.63 | 87.99 |
| July | 31 | 99.58 | 88.75 |
| " | 30 | 99.68 | 88.83 |
| " | 29 | 98.95 | 88.19 |
| " | 28 | 99.54 | 88.69 |
| " | 25 | 100.21 | 89.29 |
| " | 24 | 101.12 | 90.07 |
| " | 23 | 101.18 | 90.18 |
| " | 22 | 102.61 | 91.45 |
| " | 21 | 103.69 | 92.44 |
| " | 18 | 104.59 | 93.29 |
| " | 17 | 105.09 | 93.63 |
| 1975 High | | 107.40 (15/7) | 95.61 (15/7) |
| 1975 Low | | 77.71 (8/1) | 70.74 (8/1) |

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

| | July 30 1975 | July 23 1975 | July 13 1974 |
|---|---|---|---|
| Ind. Ord. yield pc | 3.54 | 3.78 | 4.23 |
| Ind. Ord. p/e ratio | 10.85 | 11.03 | 10.39 |
| Long-term Govt. Bds. per cent | 5.71 | 5.72 | 6.62 |

MONDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Inter. Paper | 136,900 | 53⅛ | +½ |
| Fed. Nat. Mort. | 116,700 | 14⅞ | −¼ |
| Southern Co. | 115,500 | 12⅛ | −⅛ |
| Norton Simon | 110,800 | 18⅜ | −⅛ |
| Walt Disney | 109,300 | 43⅛ | −1⅞ |
| Polaroid | 107,500 | 37⅞ | +⅛ |
| Union Carbide | 107,200 | 57 | −1¼ |
| Jewel Cos. | 103,800 | 22¼ | +¼ |
| Heublein | 102,500 | 39⅞ | −1⅞ |
| Avon Products | 87,500 | 40⅞ | −2¼ |

### TORONTO

INDUSTRIAL INDEX

| Aug. 1 | July 31 | 1975 High | 1975 Low |
|---|---|---|---|
| 189.13 | 189.80 | 196.50 (15/7) | 159.41 (2/1) |

### MONTREAL

INDUSTRIAL INDEX

| Aug. 4 | Aug. 1 | 1975 High | 1975 Low |
|---|---|---|---|
| 196.64 | 197.33 | 205.61 (15/7) | 159.95 (2/1) |

COMBINED INDEX

| Aug. 4 | Aug. 1 | 1975 High | 1975 Low |
|---|---|---|---|
| 190.99 | 191.46 | 198.90 (15/7) | 156.03 (2/1) |

### JOHANNESBURG

| | Aug. 4 | Aug. 1 | 1975 High | 1975 Low |
|---|---|---|---|---|
| Industrials | 233.4 | 234.3 | 236.9 (18/7) | 183.2 (20/1) |
| Golds | 301.3 | 303.2 | 379.1 (2/1) | 285.2 (13/4) |

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

| Av'ge yield on 50 Leading stocks | July 31 | July 24 | July 17 |
|---|---|---|---|
| On Dividends | 7.53 | 7.42 | 7.38 |
| On Earnings | 14.15 | 14.23 | 14.08 |

SYDNEY ALL ORD. INDEX

| Aug. 1 | July 31 | High 1975 | Low 1975 |
|---|---|---|---|
| 360.98 | 362.78 | 388.56 (4/6) | 289.83 (9/1) |

TOKYO NEW SE INDEX
Base=100 January 4, 1968.

| Aug. 4 | Aug. 1 | High 1975 | Low 1975 |
|---|---|---|---|
| 316.90 | 315.53 | 333.11 (2/7) | 268.24 (10/1) |

HONG KONG INDEX ◆

| Aug. 1 | July 31 | High 1975 | Low 1975 |
|---|---|---|---|
| 305.65 | 306.77 | 341.57 (9/6) | 160.42 (9/1) |

SINGAPORE INDEX §

| Aug. 4 | Aug. 1 | High 1975 | Low 1975 |
|---|---|---|---|
| 226.05 | 226.64 | 268.69 (11/3) | 185.26 (8/1) |

### EUROPE

| | Aug. 4 | Previous | 1975 High | 1975 Low |
|---|---|---|---|---|
| Belg'm (a) | 108.63 | 109.37 | 111.81 (15/5) | 89.07 (2/1) |
| Denm'k (b) | 91.54 | 91.67 | 92.80 (15/6) | 73.06 (13/1) |
| France (d) | 67.7 | 67.8 | 72.6 (23/4) | 51.70 (2/1) |
| Germ'y (e) | 711.2 | 718.1 | 726.1 (15/4) | 573.6 (2/1) |
| Holland (f) | 100.5 | 100.6 | 107.5 (6/6) | 83.8 (2/1) |
| Italy (g) | 81.33 | 81.43 | 108.89 (21/2) | 81.33 (4/8) |
| Spain (h) | — | 97.72 | 110.96 (22/4) | 96.00 (4/7) |
| Sweden (k) | 390.42 | 391.44 | 391.44 (1/8) | 310.69 (8/1) |
| Switz'rl'd (m) | 264.7 | 265.9 | 285.1 (6/6) | 206.5 (2/1) |

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Banca Commerciale Italian average all quoted shares 1972=100. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

# $ steadies

The U.S. dollar continued to improve in foreign exchange markets yesterday, being helped still by the U.S. record trade surplus in June, and indications that the rise in the economy will be maintained. By the close however, profit-taking had erased gains made earlier on in the day. The dollar's trade-weighted average depreciation since the Washington Agreement as calculated by Morgan Guaranty in New York on noon rates eased to 2.92 per cent. compared with the previous close of 2.87 per cent. The pound's depreciation on a similar basis widened to 32.09 per cent. against 31.55 per cent.

Sterling lost ground to the dollar early on in the day reaching an all time low of $2.1350-2.1360, but recovered to close at $2.1415-2.1425 compared with the previous close of $2.1470-2.1480.

The pound's trade-weighted depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England), widened to 26.6 per cent. at the close compared with the previous 26.3 per cent. The deprecation at noon stood at 26.5 per cent. and 26.4 per cent. in the morning.

Gold closed 25c. easier at $166-167 from $166¼-167¼ in a very quiet market, the range of the whole day being $166-167. The krugerrand for domestic delivery closed at $174-176 (£81¼-82¼) against $175-176½ (£81½-82¼).

EXCHANGE CROSS-RATES

| Aug. 4 | Frankfurt | New York | Paris | Brussels | London | A'sterdam | Zurich |
|---|---|---|---|---|---|---|---|
| Frankf't | — | 2.5670-85 | 58.76-85 | 6.71-72 | 5.490-495 | 97.10-97.22 | 96.42-.56 |
| N. York | 39.10-13 | — | 22.85-97 | 2.616-619 | 2.1405-15 | 37.94-98 | 37.24-27 |
| Paris | 169.875-.275 | 4.3757-3857 | — | 11.402-427 | 9.365-390 | 164.27-.27 | 162.35-75 |
| Brussels | 14.86-98 | 38.37-42 | 8.74-79 | — | 81.98-82.31 | 14.44-53 | 14.19-28 |
| London | 5.48-49 | 2.1415-25 | 9.33¾-34¼ | 81.70-90 | — | 5.55¾-56¼ | 5.75-76 |
| Am'erdam | 102.94-99 | 2.6512-37 | 60.63-.685 | 6.9025-75 | 5.5706-65 | — | 98.24-.29½ |
| Zurich | 104.67-86 | 2.6875-6900 | 61.49-58 | 7.01-.025 | 5.7535-7610 | 101.68-86 | — |

U.S. $ in Montreal U.S.$=103.12-14 Canadian cents.

Canadian $ in New York. $C1=96.95-97 U.S. cents. U.S. $ in Milan 667.30.

Sterling in Milan 1427.90.

EURO-CURRENCY INTEREST RATES*

| Aug. 4 1975 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | W.German mark | Swiss franc |
|---|---|---|---|---|---|---|
| †Short term | 10-11 | 5⅞-6⅜ | 5½-5½ | ⅞-1⅛ | 2⅝-2⅝ | 4⅛-5 |
| 7 days notice | 10¼-10⅝ | 5⅞-6⅜ | 6-7 | 2⅞-3⅛ | 2⅜-2⅝ | 3½-4 |
| Month | 11⅛-11⅞ | 6⅛-6⅝ | 7⅛-7⅝ | 3⅛-3⅝ | 3⅛-3⅞ | 3⅞-4⅛ |
| Three month | 11⅝-12 | 6⅝-7⅛ | 7⅝-7⅞ | 3⅛-3⅞ | 3⅞-4⅝ | 4¼-½ |
| Six months | 12¼-12⅝ | 7¾-8¼ | 8⅛-8⅝ | 5¼-5½ | 4⅛-4⅞ | 5⅛-5½ |
| One year | 12¾-13⅛ | 8¼-8¾ | 8¾-9⅛ | 6⅛-6⅞ | 5⅞-6 | 5⅞-6 |

Euro-French deposit rate short-term 7-7¾ per cent. seven days' notice 7-7¾ per cent.; one-month 8¾-9¼ per cent.; three months 9¾-9½ per cent.; six months 10½-11 per cent.; one year 10½-11¼ per cent.

Longer-term Eurodollar deposits, two years 8⅞-9⅛ per cent.; three years 9-9⅜ per cent.; four years 9¼-9½ per cent.; five years 9¼-9½ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5[9/16]-5⅝ per cent.; three months 7-6⅞ per cent.; six months 7⅞-7⅝ per cent.; one year 8[5/16]-8[1/16] per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

## U.S. BANKER'S VISIT TO HANOI

A U.S. banker, Mr. Louis Saubolle, has just visited Hanoi to discuss foreign trade and its financing—said to be the first such visit for over 20 years.

Mr. Saubolle is vice president for Asia of the Bank of America, and he went at the invitation of the North Vietnam Chamber of Commerce. In Hanoi he conferred with national export-import corporations and the Bank for Foreign Trade of Vietnam.

He found the Vietnamese very keen to develop trade with U.S. companies. The Vietnamese claimed that the official U.S. Government trade embargo on North Vietnam was ineffective.

GOLD MARKET

| | Aug. 4 1975 | Aug. 1 1975 |
|---|---|---|
| Gold Bullion (a fine ounce) | | |
| Close | $166-167 | $166¼-167¼ |
| Opening | $166-167 | $166½-167½ |
| Morning fix'g | $166.35 (£77.817) | $166.50 (£77.886) |
| Afternoon fix'g | $166.50 (£77.767) | $166.75 (£77.414) |
| Gold coins (domestically) | | |
| Krugerrand | $174-176 (£81¼-82¼) | $175-176½ (£81½-82¼) |
| New sov'r'gns | $53½-55 (£25-25¾) | $53¾-55¼ (£25-25¾) |
| Old sov'r'gns | $53½-55 (£25-25¾) | $53¾-55¼ (£25-25¾) |
| Gold coins (Int'rn't'n'ly) | | |
| Krugerrand | $171¼-173¼ (£79½-80½) | $171-173 (£79½-80½) |
| New sov'r'gns | $50½-51 (£23½-24) | $50¾-51¼ (£23½-24) |
| Old Sov're'gns | $50½-51 (£23½-24) | $50¾-51¼ (£23½-24) |
| $ 20 Eagles | $250-255 | $249-252 |
| $ 10 Eagles | $118-122 | $117-120 |
| $ 5 Eagles | $86-90 | $85-88 |

FOREIGN EXCHANGES

| Aug. 4 1975 | Bank Rates % | Market Rates Day's Spread | Close |
|---|---|---|---|
| New York | 6 | 2.1350-2.1450 | 2.1415-2.1425 |
| Montreal | 8¼ | 2.2055-2.2130 | 2.2085-2.2095 |
| Amsterdam | 6 | 5.65-5.70 | 5.65½-5.66½ |
| Brussels | †6½ | 81.60-82.60 | 81.70-81.90 |
| Copenh'gen | 9 | 12.75-12.81 | 12.76-12.78 |
| Frankfurt | 4½ | 5.48-5.54 | 5.48-5.49 |
| Lisbon | 6½ | 56.40-57.10 | 56.45-56.65 |
| Madrid | †7 | 124.60-125.30 | 124.95-125.15 |
| Milan | 7 | 1,424-1,429 | 1,424-1,425 |
| Oslo | 5½ | 11.65-11.69 | 11.65½-11.66½ |
| Paris | 9½ | 9.35-9.40 | 9.33¾-9.34¼ |
| Stockholm | 7 | 9.19-9.25 | 9.19½-9.20½ |
| Tokyo | 8 | 635-645 | 637-639 |
| Vienna | 6 | 38.60-38.90 | 38.70-38.90 |
| Zurich | 4½ | 5.74-5.81 | 5.75-5.76 |

† Basic discount. ‡ Rates given are for convertible francs: closing financial franc 84.90-85.20.

OTHER MARKETS

| | | ¶ Notes Rates | |
|---|---|---|---|
| Argentina | ◆59.99-60.19 | Argentina | 170-200 |
| Australia | 1.6398-1.6660 | Austria | 37½-38½ |
| Brazil | 17.24-17.44 | Belgium | 84½-85½ |
| Finland | 8.08-8.10 | Brazil | 21-24 |
| Greece | 69.912-71.631 | Canada | 2.15-2.18 |
| H'ngKong | 10.84-10.875 | Denmark | 12.70-12.90 |
| Iran | 144.5-147.4 | France | 9.25-9.45 |
| Kuwait | 0.627-0.637 | Germany | 5.40-5.60 |
| Luxemb'g. | 81.70-81.90 | Greece | 65½-68½ |
| Malaysia | 5.5555-5.5790 | Italy | 1440-1480 |
| N.Zealand | 1.6788-1.6948 | Japan | 645-655 |
| SaudiArbia | 7.58-7.59 | Nethr'l'ds | 5.60-5.80 |
| Singapore | 5.2980-5.3170 | Norway | 11.55-11.75 |
| S.Africa | 1.5178-1.5380 | Portugal | 55-57 |
| U.S.— | | Spain | 122½-125½ |
| Canada | | Sw'tz'land | 5.70-5.80 |
| C$1= | | U.S. | 2.15-2.16 |
| U.S. cents | 96.94-96.97 | Yugosl'ia | 36½-38½ |

¶ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate; financial rate 75.73-75.93.

FORWARD RATES

| — | One month | Three months |
|---|---|---|
| New York | 0.90-0.80 c.pm | 2.37-2.27 c.pm |
| Montreal | 0.75-0.65 c.pm | 2.00-1.90 c.pm |
| Amst'dam | 4¼-3¼ c.pm | 11-10 c.pm |
| Brussels | 40-20 c.pm | 85-65 c.pm |
| Cop'n'hg'n | 7-5 ore pm | 14½-12½ ore pm |
| Frankfurt | 4¼-3¼ pf. pm | 11-10 pf pm |
| Lisbon | 50c.pm-40 c. dis | 50c.pm-80c.dis |
| Milan | 1½-4½ lire dis | 8-11 lire dis |
| Oslo | 8-6 ore pm | 17½-15½ ore pm |
| Paris | 3-1 c.pm | 5-3 c.pm |
| Stockh'lm | 2¼-¼ ore pm | 6-4 ore pm |
| Vienna | 30-05 gro pm | 60-30 gro pm |
| Zurich | 4¼-3¼ c.pm | 10½-9½ c. pm |

Six-month forward U.S. dollar 435-425c pm and 12-month 820-810c pm.

## OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—89½% (87½%)

### NEW YORK

| Stock | Aug. 4 | Aug. 1 | Stock | Aug. 4 | Aug. 1 | Stock | Aug. 4 | Aug. 1 |
|---|---|---|---|---|---|---|---|---|
| Johns Manville | 23¼ | 25⅛ | Rapid America | 5⅞ | 5¾ | Zenith Radio | 26⅝ | 26⅛ |
| Johnson Johnson | 68¼ | 82¾ | Raytheon | 46 | 48⅛ | Chile 3% 1993 | 65 | 65 |
| Jostens Control. | 12⅞ | 13⅜ | RCA | 18⅝ | 18¾ | Peru 3% 1993 | †95 | †95 |
| [illegible] | | | | | | | | |

### CANADA

| Stock | Aug. 4 | Aug. 1 |
|---|---|---|
| [illegible] | | |

### GERMANY ◆

| Aug. 4 | Price Dm. | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| A.E.G. | 80.5 | −1.5 | — | — |
| Allianz Versich. | 489 | | 17 | 1.5 |
| B.M.W. | 235 | −1 | 14 | 3.0 |
| BASF | 142 | −2 | 17 | 6.0 |
| Bayer | 116 | −1.5 | 17 | 6.9 |
| Bayer Hypo | 316 | −1 | 18 | 2.8 |
| Bayer Vereinsbk. | 348.5 | −2 | 18 | 2.4 |
| Commerzbank | 213 | −2.5 | 17 | 4.0 |
| Contl. Gummi | 78.7 | −2.6 | — | — |
| Daimler | 311 | −7.5 | 15 | 2.4 |
| Degussa | 232 | −3 | 18 | 3.9 |
| Demag | 168 | −8 | — | — |
| Deutsche Bank | 320.1 | −8.8 | 20 | 3.1 |
| Dresdner | 245 | −3.1 | 18 | 3.7 |
| Dyckerhoff Zem't. | 190 | +8 | 10 | 2.6 |
| [illegible] | | | | |

### AMSTERDAM

| Aug. 4 | Price Fls. | + or − | Div. % | Yld % |
|---|---|---|---|---|
| Ahold (Fl.20) | 103.5 | +0.5 | 18 | 3.5 |
| Akzo (Fl.20) | 38.4 | −0.1 | 20 | 10.4 |
| Algem Bnk (Fl100) | 340 | +9.5 | 20 | 6.5 |
| AMAS NV (Fl.10) | 12.2 | +0.1 | 10 | 8.2 |
| AMEV (Fl.20) | 57.5 | +0.6 | 60 | 10.4 |
| Amro Bank (Fl.20) | 75.4 | +1.6 | 20 | 5.3 |
| VanBer kels (Fl.50 | 118.2 | −0.3 | 15 | 6.4 |
| Bijenkorf (Fl.20) | 81 | +1 | 24 | 6.2 |
| BokaWestm.Fl.10 | 114.2 | −1.6 | 52 | 4.5 |
| Buhrm-Tetterode | 64.1 | −0.2 | 25 | 7.2 |
| Elsevier (Fl.20) | 480.5 | +0.5 | 24 | 1.0 |
| EnniaN.V.Bearer | 118.5 | +0.7 | — | — |
| EuroComTstFl.10 | 56.5 | | 30.4 | 5.3 |
| [illegible] | | | | |

### AUSTRALIA

| Aug. 4 | Aust. $ | + or − |
|---|---|---|
| Acrow Australia | †0.55 | |
| Adelaide Brig'ton Cem't 50c | †0.83 | +0.01 |
| Allied Mnfg.Trdg. Indus $1 | †1.54 | −0.01 |
| Ampol Exploration | †0.58 | −0.01 |
| Ampol Petroleum | †0.44 | |
| Assoc. Minerals | ‡2.70 | |
| Assoc. Pulp Paper $1 | †0.78 | +0.01 |
| Aust. Con Industries | †1.26 | +0.03 |
| Aust. Foundation Invest. | †0.74 | +0.01 |
| A.N.I. | †0.82 | |
| Aust. Oil & Gas | †0.08 | |
| Blue Metal Ind. | ‡0.70 | |
| Bougainville Copper | †0.95 | −0.04 |
| [illegible] | | |

### VIENNA

| Aug. 4 | Price % | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| Creditanstalt | 360 | | 10 | 2.9 |
| Perlmooser | 345 | | 12 | 3.5 |
| Selecta | 750 | −1 | 48 | 6.4 |
| Semperit | 182 | +2 | — | — |
| Steyr Daimler | 145 | −1 | 9 | 6.2 |
| Veit Magnesit | 366xc | | 22 | 6.0 |

### JOHANNESBURG

MINES

| August 5 | Rand | + or − |
|---|---|---|
| Anglo American Corpn. | 5.17 | +0.05 |
| [illegible] | | |

### TOKYO ¶

[illegible]

### PARIS

[illegible]

### BRUSSELS

[illegible]

### SPAIN ▼

[illegible]

### STOCKHOLM

[illegible]

### MILAN

[illegible]

### OSLO ◆

[illegible]

### SWITZERLAND ◆

[illegible]

### COPENHAGEN

[illegible]

# FARMING AND RAW MATERIALS

## Mounting costs hit NZ wool

WELLINGTON, August 4.

THE NEW ZEALAND Wool Board lost $NZ390,368 in the 1974-75 season, says the Board's 30th annual report.

"Costs between the farm gate and the overseas mill have doubled in the past 10 years and the rate of increase is likely to accelerate," it says. "As woolgrowers ultimately pay all costs—currently about $34 a bale—the Board is anxious to see everything done to hold them."

The Board says investment appears to have dropped to a level so low that the effect would be felt in lower production in the next two years following the usual one- to two-year lag.

"Between the sheep's back and the auction floor, two-thirds of wool marketing costs are incurred in the woolshed—about $50m. a year."

The report says the $15m. fund set up by the Government early this year to supplement prices up to the average floor price of 93 cents a kilo had been drained of $2.25m. Minimum and maximum prices in a stabilisation scheme should be widely spaced with price setting in the hands of the Wool Marketing Corporation under grower control, it says.

Reuter

## Farm training demand soars

By Our Commodities Staff

THE NUMBER of course days put on by the Agricultural Training Board last year rose "dramatically" from 5,273 to 6,582, says the Board in its annual report, out to-day.

"In a year when farmers and growers have been beset by a welter of economic and climatic problems, it is significant that many more have sought the Board's services to overcome known areas of difficulty," it says.

The extra demand and the effects of inflation together resulted in the ATB's total expenditure of £2.3m. outstripping the budgeted figure by £314,000.

## BUFFER STOCK

GENEVA, August 4.

NON-ALIGNED developing states have drafted an agreement here to set up a $3bn. buffer stock of ten major commodities.

Informed sources said the plan would go before a foreign ministers' conference of non-aligned nations in Lima, Peru, at the end of this month, with a recommendation that a preparatory committee start arranging for a conference at which a convention would be signed establishing the fund. Reuter

# London sugar, cocoa and coffee prices higher

BY RICHARD MOONEY

*LONDON'S MAJOR soft* commodity markets all moved sharply higher yesterday. Weakness of sterling was the main cause of the rise in cocoa, but was only a subsidiary factor in the sugar and coffee markets.

The December sugar quotation on the London terminal market ended at £187.875 a ton, up £15.375, after the London daily price had been raised £10 to £195 a ton. The rise, which lifted futures values by the permissible limit in early trading, was mainly attributed to reports of lower sugar content in the European beet crop.

Disappointing initial results of beet tests in the Netherlands and Belgium have raised doubts about the French crop, for which tests results are imminent. However, the sugar content of the Italian crop is expected to be normal, according to the Beetgrowers' Association, which tentatively estimates the 1975 crop at around 10m. tonnes, against 7.5m. last year.

The November position on the London Robusta coffee market ended £24.75 higher, at £785.5 a tonne, after climbing to £789 at one stage.

The main factor behind this rise was the announcement by the Brazilian Coffee Institute (IBC) that it would not renew or extend expiring "special deals" with overseas coffee importers. Sr. Camillo Calazans, the IBC president, said Brazil did not plan to make such agreements for the next three years because of the future shortage in world markets following the recent frosts in Brazil.

Representatives of Latin American and African coffee producing countries are to visit Brazil this week at the invitation of the IBC to check the extent of the frost damage, Sr. Calazans confirmed. He said they would not be discussing international marketing of coffee.

### Brazil coffee

Official figures on the extent of the frost damage are expected to be released by the IBC any day now. Dealers are unlikely to be swayed by these, having made their own investigations which indicate that next year's Brazilian crop will be around 12m. bags, but the IBC's assessment of damage to trees will have a profound effect on longer-term expectations.

Next year's Parana crop has been virtually wiped out, but until more information is made available predictions for 1977-78 and beyond can be little better than guesswork.

Sr. Calazans has warned, meanwhile, that a situation of over-production could be back in four to five years. Though other producers will not be able to replace the lost Brazil coffee in the short-term, they may respond to high prices by stepping up plantings, he said.

Cocoa prices moved up mainly on currency considerations and the November position ended the day £13.5 higher, at £583 a tonne. Sentiment may also have been affected by the common stand which is reported to have been adopted by members of the Cocoa Producers' Alliance on renegotiation of the 1972 International Cocoa Agreement.

A communique issued in Accra gave no details of the policies agreed but said the "common positions and strategy" for the forthcoming renegotiations in Geneva in September had been adopted after a week-long meeting.

● Purchases of Ghana midcrop cocoa for the eighth week of the season (ended July 31) are estimated at 393 tons, according to the Ghana Cocoa Marketing Board, reports Reuter from Accra. This brings purchases to 3,978 tons, compared with 4,501 after eight weeks last year.

# Better grain supply forecast

A CONSIDERABLE improvement in world grain supplies in 1975-76 is still expected, the Commonwealth Secretariat says in its latest grain survey published yesterday.

The 1975-76 crop weather has so far been mixed. The outlook for autumn sown crops has been generally favourable and, until recent weeks, high yields were expected.

But the increasing threat of drought in some regions recently casts doubts over prospects for later sown grains in the northern hemisphere, and southern hemisphere drought has also hindered 1975-76 grain plantings.

The survey says world output of main grains in 1974-75 is now put at 903m. tonnes—five per cent. down on 1973-74.

From Paris, however, it is reported that the continuing lack of rain in western France is causing substantial damage to crops. The Morbihan Department of southern Brittany has been declared a disaster area since the failure of the coastal maize crop has left cattle farmers 1½ months short of feed, compelling them to use up winter supplies.

In the north of the Charente Department, around Angouleme, the wheat crop is expected to yield only about 13 quintals per hectare, instead of the usual 40 or 50, while the wheat that is harvested may be unsuitable for bread making because of pest damage.

In Salisbury, Rhodesia, it is reported that efforts to become self-sufficient in wheat have been set back by a severe frost, which may have destroyed up to 30 per cent. of this year's crop.

Farmers in Czechoslovakia, in contrast, have harvested 28.7 per cent. of their grains crop and are five to seven days ahead of schedule, Ceteka News Agency reports.

Reuter

# Japanese visit to Russia

TOKYO, August 4.

JAPAN'S AGRICULTURE and Forestry Minister, Mr. Shintaro Abe, would be briefed on the crop situation and grain import plans of the Soviet Union during a three-day visit to Moscow beginning to-morrow, a Ministry spokesman said.

He would then travel to Washington, where he was expected to ask U.S. Agriculture Secretary, Mr. Earl Butz, for guarantees of stable grain supplies to Japan.

Japan was expected to import around 5.3m. tonnes of wheat this year and about 7½m. tonnes of maize, the majority in both cases from the U.S., Ministry sources noted. So far Japan has bought 2.3m. tonnes of wheat this year.

The spokesman said the Minister was also expected to seek stable supplies of soyabeans during his U.S. talks. Japan depended on the U.S. for about 90 per cent. of its soyabean imports, which this year were expected to remain about unchanged from last year's total of 3.24m. tonnes. Reuter

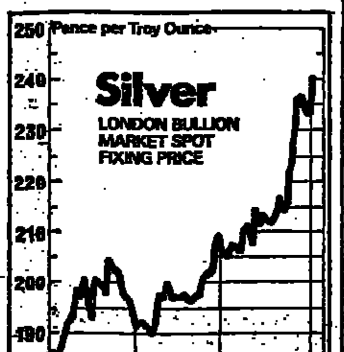
# Sharp rise in silver prices

By Our Commodities Staff

SILVER PRICES rose sharply on London markets yesterday, aided by the weakness of sterling against the U.S. dollar. The London spot bullion price was fixed at 240.6p a troy ounce—a rise of 7.7p on Friday's level and the highest price since mid-May last year.

On the London Metal Exchange, a fair volume of fresh buying as well as short-covering was reported early on. Silver stocks in LME warehouses fell last week by 10,000 ounces, to 14,070,000 ounces.

From Calcutta, P. C. Mahanti writes: In line with the international price as quoted in New York and London, the price of silver has shot up in India by more than Rs.100 to Rs.1,330 per kilogram in a matter of days after weeks of stagnation in the market.




Trade sources say that this is due to a sudden revival of heavy demand from U.S., U.K. and some Middle East countries.

Indian bullion traders are keen to take advantage of the present situation as the London and New York prices are still substantially higher than the latest Indian rate. The most they are able to export, however, is about 20 tonnes of silver per day, although overseas demand for the metal is said to be at least 40 to 45 tonnes per day.

Since silver horders all over the country are difficult to tap, the exporters are shipping only what they can manage to get. Professional dealers are also reserved as they expect international prices to move still higher.

India resumed silver exports in February 1974 and had exported Rs1,500m.-worth of silver up to last June, most of it to the U.S.

PROCESSED VEGETABLES

# Climatic extremes hit U.K. pea harvest

BY DAVID RICHARDSON

THIS YEAR'S pea harvest which started at the beginning of July looked like being a disaster. Fields planted late because of the wet spring then suffered from drought and were yielding as little as 5 cwts of peas an acre, against a normal average of just under 2 tons. But rain in mid-July transformed late crops and yields improved dramatically.

Recent scorching weather has caused more disruption, however. Peas became ready for harvesting too fast for processors to deal with them and hundreds of acres had to be "seeded-down"—left to be harvested dry and used for seed next year.

One freezing company had to seed 800 acres. Normally the harvest period lasts up to 50 days, but it has been cut to only 30 this year by late drilling at the start and hot weather at the finish. But in spite of all the problems, total yields are said to be no more than 10 to 15 per cent. down on expectations; much better than seemed possible only a couple of weeks ago.

### Yield potential

Many individual growers who had only early peas will have lost heavily on this year's crops. And in view of the shortfall in tonnages, the processing companies may well be regretting their decision to cut acreages.

The cuts—up to 30 per cent. in some cases—combined with lower yields will almost certainly mean that there will be insufficient home grown peas to satisfy next winter's demand.

Green beans, on the other hand, have never looked better, although they desperately need rain now. After potatoes and peas, they are the next most important processing vegetable, and being a semi-tropical crop they have grown well through the hot dry summer.

Harvesting of beans will not begin until mid-August, but crops are generally healthy and well developed, with good yield potential. Providing it rains soon and that potential is realised, processors will no doubt try to wean shoppers from buying so many ever-popular peas and guide them towards the likely ample supply of beans.

Advertising campaigns on these lines can be expected in the winter.

One of the least glamorous processing crops—but most popular with farmers—is dried peas for canning, which still account for half of all peas sold for human consumption. Essentially, they are the same type of pea, and in some cases the identical variety, to those used for green processing.

The difference is that they are allowed to become fully mature and hard as grain before harvesting. They can be handled, therefore, with ordinary combine harvesters, rather than fleets of £20,000 a time green pea viners.

Yields and income are usually modest, compared to green peas, but so are growing and machinery costs, and profits are often as good or better.

Some of this year's dried pea crops have also suffered from the weather, but on average look much better than most peas for vining. This is probably because they could be planted when farmers judged their land to be ready, rather than fitting them into the complex harvesting programme, essential for vining peas.

But it is dangerous to predict yields or quality until dried peas are in the barn. The one thing they can't tolerate is wet weather as they ripen and become ready to harvest in early August.

In such conditions, the whole crop lies flat on the ground. If the soil is damp so are the peas. It is then impossible to gather or thresh the peas, so that in a prolonged wet spell it is not unknown to lose the whole crop.

But dried pea growers who visited the Processors and Growers Research Organisation (PGRO) open day near Peterborough last week saw some of the first plots of peas which could take much of the risk out of the crop. It is a leafless pea, which has been developed over the last six years by the John Innes Institute at Norwich.

### Perfect pea

In 1969 plant breeders from John Innes asked the PGRO what qualities were required for a perfect pea variety. The reply included such characteristics as the ability to stand until mature, instead of dropping flat on to the ground because of the sheer weight of the crop.

Other requirements were a reduced leaf area to improve the micro-climate around the plant, making it less likely to rot in wet weather and allowing it to dry quicker when it was fine; and a yield at least as good as those available from existing varieties.

The result is a pea which consists of stalks, tendrils and pods, but no leaves, which appears to embody all the right qualities. Seed in significant quantities seems unlikely to be available for another two to four years, but enthusiasts at the PGRO and the John Innes Institute are already suggesting that this is the protein crop the U.K. should be developing, instead of trying to breed a hardy strain of soyabean which is really not suited to the British climate.

The long-term market for dried peas for processing is said, meanwhile, to have a potential for considerable expansion to replace imports, mainly from the U.S., which should help to provide the impetus for getting this remarkable new pea into commercial production.

# Tungsten price pact talks postponed

GENEVA, Aug.4

TUNGSTEN PRODUCING and consuming countries agreed to postpone substantive discussions on a joint plan for price stabilisation until next year.

The 29-nation tungsten committee of the UN Conference on Trade and Development (UNCTAD) decided at a week-long session here that the 1976 meeting should evaluate the possibility of a system of minimum and maximum prices, conference sources said.

Delegates agreed that the terms of reference for this meeting—of the committee's 13-member working group—should include an appraisal of the practical, economic and technical aspects of proposals which could be incorporated in an inter-governmental, producer-consumer arrangement, the sources said.

Developing countries had fought hard at the Geneva talks for the fixing this year of minimum and maximum prices for tungsten, but some consuming states had argued that such a system was not necessary because of the relative stability of the costs of the product.

Reuter

# COMMODITY MARKET REPORTS AND PRICES

## BASE METAL

COPPER—Gained ground on the London Metal Exchange with sentiment, as in other markets, being influenced by further weakness in sterling. Copper was also affected by the strength of metals in the U.S., notably of silver. Some short-covering was reported and prices closed at the day's highest levels with three months wirebars trading at £605 on the afternoon kerb. Turnover 11,600 tonnes.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars | | | | |
| Cash | 581.5-2 | +6.5 | 585-6 | +8.25 |
| 3 months | 601-2 | +7.75 | 605-6 | +8.25 |
| Settlem'nt | 582 | +6.5 | — | ...... |
| Cathodes | | | | |
| Cash | 570-1 | +6 | 573.5-4.5 | +8 |
| 3 months | 590-1 | +6.75 | 593-5 | +9.5 |
| Settlem'nt | 571 | +6 | — | ...... |
| U.S. Smt. | — | ...... | *60-63.7 | ...... |

Amalgamated Metal Corpn. reported that in the morning cash wirebars traded at £580.5, 81, 81.5, three months, £599.5, 600, 00.5, 99, 600, 600.5, 601. Cathodes, cash, £570.5, three months, £590. Kerbs: Bars, cash, £581.5, three months, £601. Cathodes, untraded. Afternoon: Wirebars, cash, £581.50, three months, £602, 01, 01.50, 02, 04, 03.50, 04, 04.50, 05. Cathodes, cash, £574, three months, untraded. Kerbs: Wirebars, cash £585, late Oct., £603.50, three months, £605, 04, 04.50, 04, 05. Cathodes, untraded.

TIN—Prices recovered from an easier start to close with small losses on balance after a very quiet day's trading. Initial losses reflected to some extent a further fall in the Penang price which has come back $M32 per picul since last Wednesday. Assisting the steadier tendency in London's afternoon market was some tightness in nearby metal supplies. Turnover 255 tonnes.

Morning: Standard, cash, untraded. Three months, £3,150, 148, 149. High Grade, untraded. Kerbs: Standard, untraded. High Grade, untraded. Afternoon: Standard, cash £3,130, three months, untraded. High Grade, untraded. Kerbs: Standard, three months, £3,150. High Grade, untraded.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 3124-7 | -8.5 | 3133-7 | -2.5 |
| 3 months | 3149-50 | -12 | 3157-60 | -4 |
| S'ment | 3127 | -8 | — | ...... |
| Standard | | | | |
| Cash | 3124-7 | -8.5 | 3133-7 | -2.5 |
| 3 months | 3149-50 | -12 | 3157-60 | -2.5 |
| S'ment | 3127 | -8 | — | ...... |
| Straits E. | ‡$981 | -12 | — | ...... |
| New York | — | ...... | *346.25 | +1.25 |

LEAD—Fractionally firmer in response to weakness of sterling and some short-covering. Very thin market conditions obtained. Turnover 3,350 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 173.75-4 | +1.5 | 173-4 | +.875 |
| 3 months | 181-.25 | +1.5 | 180.5-1.5 | +1 |
| S'ment | 174 | +1.5 | — | ...... |
| N.Y. Spot | — | ...... | 19-22¾ | ...... |

Morning: Cash, £174.25, 174, 173.75, three months, £181, 81.5, 82, 81. Kerbs: Untraded. Afternoon: Cash, untraded. Three months, £181. Kerbs: Three months, £181.

ZINC—Little changed on balance with some earlier profit-taking being quite well absorbed in otherwise featureless trading. Turnover 3,550 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 332.5-3.25 | +1.12 | 333-4 | ...... |
| 3 months | 343.5-4 | +2 | 344-.25 | +.875 |
| S'ment | 333.25 | +1.25 | — | ...... |
| Prm. West | — | ...... | *38½-9 | ...... |

Morning: Cash, £335, 34, three months, £345, 44.5, 344. Kerbs: Cash, £333.25, three months, £344. Afternoon: Cash, £333.50, three months, £344.50, 44. Kerbs: Three months, £344, 44.25.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

## SILVER

Silver was fixed 7.7p an ounce higher for spot delivery in the London bullion market yesterday, at 240.6p. U.S. cent equivalents of the fixing levels were: Spot 514.4c (500.0c), three-month 524.5c (510.0c), six-month 534.9c (518.3c), and 12-month 557.8c (542.6c). The metal opened at 236-237p (505-508c) in a volatile market and closed at 240½-241½p (514-517c).

| SILVER per troy oz. | Bullion fixing prices | + or — | L.M.E. close | + or — |
|---|---|---|---|---|
| Spot | 240.6p | +7.7 | 242.5p | +7.05 |
| 3 months | 248.1p | +8.1 | 249.75p | +7.65 |
| 6 months | 255.1p | +8.3 | — | ...... |
| 7 months | — | ...... | 258.5p | +8.0 |
| 12 months | 271.5p | +8.7 | — | ...... |

LME—Turnover 259 (196) lots of 10,000 ozs. Morning: Cash 241.5; three months 249, 9.4, 9.5, 9.3, 9.2, 9, 48.7, 48.6. Kerb: three months 248.8, 8.4, 8.3, 8.2, 8.1, 8, 7.8, 7.5. Afternoon: Three months 250.9, 50.3, 50.5, 50.9, 50.7, 50.5, 50.0, 49.8, 49.5, 49.8, 49.6, 49.7, 49.8. Kerb: Three months 249.5, 9.7, 9.8, 50.0.

## COCOA

Aided by currency considerations, prices were steady from the outset on light volume, reports Gill and Duffus.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| No4Contract | | | |
| September | 616.5-8.0 | +14.75 | 618.8-18.0 |
| December | 592.0-4.0 | +13.5 | 597.0-76.0 |
| March | 573.0-4.0 | +12.0 | 576.0-68.0 |
| May | 570.0-2.0 | +9.5 | 575.0-68.0 |
| July | 572.0-3.0 | +10.5 | 571.0-65.0 |
| September | 575.0-5.0 | +12.0 | — |
| December | 572.0-5.0 | +8.0 | — |

Sales: 1,395 (1,284) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 55.51 (54.55). U.S. cents per pound; indicator 15-day average 56.03 (55.90); 22-day average 53.54 (53.24).

## FREIGHTS

OIL TANKERS—In a flat tanker market yesterday there were three small fixtures, Caribbean U.S. Gulf a 20,000 tonner and a 21,000 tonner at W100 and W95 respectively for Charter Oil and a 20,000 tonner clean Dunkirk U.K. Continent at W92.5 for Incon, with an option for Scandinavia at W90.

DRY CARGO—Emphasis was on the booking of grain carriers at around recent levels. Most other trades were quiet.

Cargoes of grain were arranged from U.S. Gulf to Japan at $7.50 and $8.75 f.i.o. according to size for Aug. and Aug./Sept., also from Northern Range to Alexandria at $13 free discharge for Aug.

A vessel was booked for three consecutive grain voyages from U.S. Gulf to Netherlands at $5 f.i.o. for Aug. Indian Government brokers covered cargoes of grain from U.S. North Pacific to India at $22.25 free discharge for Aug./Sept. and by large bulk carriers at $17.25 free discharge for Aug./Sept.

## COFFEE

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| September | 780.0-82.0 | +20.5 | 782.0-78.0 |
| November | 785.0-86.0 | +24.75 | 789.0-68.0 |
| January | 786.5-87.0 | +25.0 | 790.0-77.0 |
| March | 790.0-90.5 | +26.75 | 791.0-78.0 |
| May | 789.0-91.0 | +25.5 | 794.0-80.0 |
| July | 790.0-93.0 | +26.0 | 795.0-82.0 |
| Sept. | 792.0-94.0 | +24.0 | 794.0 |

Sales: 2,115 (1,064) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild Arabicas 101.00 (same); Other Mild Arabicas 82.00 (same); Unwashed Arabicas Santos Fours 84.00 (unavailable); Robustas 75.50 (same). Daily average 87.00 (unavailable).

ARABICA CONTRACT (in order buyer, seller, sales)—August 91.70-92.30, 5; Oct. 92.00-92.25, 15; Dec. 94.00-94.10, 23; Feb. 95.10-95.20, 25; April 96.00-97.00, 8; June 97.00-99.00, nil; August 98.00-100.00, 1. Sales 77.

## RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing dull. Lewis and Peat reported a Malaysian godown price of 139 cents a kilo (buyer, August).

| No. R.S.S. | Yesterday's close | Previous day's close | Business done |
|---|---|---|---|
| Sep. | 36.50-38.60 | 37.25-38.50 | — |
| Oct. | 37.00-38.00 | 37.30-38.50 | 37.25 |
| Oct.-Dec. | 37.50-37.80 | 37.50-37.70 | — |
| Jan.-Mr. | 37.60-37.75 | 37.50-37.60 | 37.60 |
| Ap-Jun. | 38.55-38.60 | 38.50-38.78 | 38.60-38.25 |
| Jy.-Sept. | 38.30-38.40 | 38.30-38.45 | — |
| Oct-Dec. | 40.00-40.30 | 40.10-40.20 | 40.30-38.70 |
| Jan-Mr. | 40.30-40.80 | 40.50-40.95 | 40.80 |
| Ap-Jun. | 41.10-41.20 | 40.95-41.40 | 41.20 |

Sales 111 (79) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 35.75p (36.0p); Sept. 30.0p (30.5p); Oct. 31.15p (31.5p).

## SUGAR

LONDON DAILY PRICES (raw sugar) higher at £195 (£185) a ton, c.i.f. for Aug./Sept. shipment. White sugar daily price was fixed at £215 (£205) a ton.

Some early beet reports from Europe were poorer than expected, which produced some nervous short covering in a market appearing to lack sellers, and prices made gains of £20 from Friday's kerb levels. A reaction in the afternoon was short lived, and values closed nearer the higher levels, C. Czarnikow reports.

| Sugar Pref. Comm. Con. | Yesterday's Close | Previous Day's Close | Business Done |
|---|---|---|---|
| | £ per ton | | |
| Oct. | 190.50-91.00 | 176.00-76.50 | 197.00-76.00 |
| Dec. | 187.75-88.00 | 172.00-73.00 | 192.00-74.00 |
| March | 186.00-86.50 | 171.60-72.00 | 190.60-71.50 |
| May | 185.50-84.50 | 169.00-69.00 | 188.50-75.00 |
| Aug. | 181.00-82.50 | 167.50-68.50 | 185.00-81.00 |
| Oct. | 181.00-82.00 | 167.50-68.50 | 185.75-81.00 |
| Dec. | 178.50-81.00 | 167.00-68.00 | — |

Sales: 3,834 (3,118) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £228.00 (£250) a long ton for home trade and £289 (£275) a long ton for export.

## GRAINS

THE BALTIC—The market remained very quiet and price trends were slightly mixed.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., Aug. £88.95, Oct. £87.60 direct Tilbury. EEC milling Aug. £59.50 East Coast. Maize—No. 3 Yellow American/French Aug. £64.50, Sept. £65.50, Oct. £66.25 transhipment East Coast. Barley—EEC feed Aug. £57.75, Sept. £59.50 East Coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. 61.40, Nov. 64.15, Jan. 66.60, March 68.15, May 69.70. Business: Sept. 61.60-61.05, Nov. 64.45-63.55, Jan. 66.60-66.00, March 68.40-67.50, May 69.60-69.10. Barley, steady. Close: Sept. 59.20, Nov. 61.65, Jan. 64.15, March 66.05, May 67.65. Business: Sept. 59.05-58.65, Nov. 61.75-61.20, Jan. 64.25-63.90, March 66.30-65.90, May 67.30 only.

MARK LANE—Price trend was steadier but offtake remained light. Aug. deliveries of Hagburg 180 milling wheat traded to London area at £60 per long ton and Sept. deliveries of denaturable quality to East Anglia at £60 per long ton. Average sellers quotations per long ton for delivery London area: Wheat: Hagburg Sept. £62.50; Denaturable Sept. £59.60. Barley seed unquoted.

HGCA—Location ex-farm spot prices: Soft milling wheat—E. Suffolk £56.00. Feed wheat—E. Suffolk £55.15. Feed barley—N. E. Scotland £51.00; E. Suffolk £53.00.

HGCA—Regional and U.K. average ex-farm spot prices for week ended August 4: Soft milling wheat—Eastern £58.85, E. Midlands £56.75, W. Midlands £58.90, N. East £58.95, U.K. £56.85. Feeding Barley—S. East £53.00, S. West £53.35, Eastern £53.50, E. Midlands £52.95, W. Midlands £52.35, N. East £53.35, N. West £54.50, Scotland £50.35, U.K. £53.05.

## SOYABEAN MEAL

| | Yesterd'y Closes | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| August | 84.8-85.9 | +3.0 | — |
| October | 86.4-86.7 | +3.45 | 86.8-84.1 |
| December | 86.4-86.8 | +3.25 | 87.1-84.5 |
| February | 87.3-87.7 | +3.1 | 88.2-85.5 |
| April | 88.2-88.8 | +3.5 | 89.1-88.0 |
| June | 88.7-89.8 | +3.3 | — |
| August | 90.2-91.0 | +3.2 | 90.9 |

Sales: 113 (93) lots of 100 tonnes.

## WOOL FUTURES

LONDON—Market featureless, Bache reports.

(Pence per kilo)

| Australian Greasy wool | Yesterd'ys close | + or — | Business Done |
|---|---|---|---|
| October | 163.0-65.0 | +0.25 | — |
| December | 167.0-70.0 | +0.5 | — |
| March | 174.5-75.5 | +0.75 | — |
| May | 176.0-77.5 | +0.25 | — |
| July | 178.0-79.5 | ...... | — |
| October | 182.0-84.0 | ...... | — |
| December | 185.0-87.0 | ...... | — |
| March | 186.0-89.0 | ...... | — |

Sales: nil (12) lots of 1,500 kilos.

SYDNEY GREASY — Market closed owing to New South Wales bank holiday.

## MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on August 4: U.K.—Cattle £17.44 per live cwt (−0.54); sheep 30.9p per pound e.d.c.w. (−1.9); pigs £4.09 per sc.l.w. (−0.13). England and Wales—Cattle numbers up 4.2 per cent., average price £17.69 (−0.71); sheep down 3.8, 31.3p (−1.8); pigs up 18.8, £4.08 (−0.13). Scotland—Cattle down 7.1, 15.63 (+0.26); sheep up 14.0, 27.8p (−3.7); pigs up 2.5, £4.49 (−0.02). Pig number comparisons should be treated with caution, because ending of fatstock guarantee scheme means change in definition.

Meat Commission — Average fatstock prices at representative markets in week ended August 2: U.K.—Cattle £17.99 per live cwt. (+0.14); Sheep 32.3p per lb.edcw (−0.3); Pigs £4.22 per sc.l.w. (+0.06). England and Wales—Cattle numbers up 7.6 per cent., average price £18.21 (+0.05); Sheep up 2.7, 32.7p (−0.3); Pig down 12.6, £4.22 (+0.06). Scotland—Cattle up 18.7, £18.46 (+0.21); Sheep up 16.2, 28.9p (−0.5) Pig down 6.6, £4.32 (+0.03).

SMITHFIELD (pence per lb)—Beef: Scottish killed sides 28.0 to 32.0, English hindquarters (heavy) 36.0 to 38.0. Ulster hindquarters 36.0 to 38.0, forequarters 16.0 to 18.0, Eire hindquarters 35.0 to 38.0, forequarters 16.0 to 18.0.

Veal: English fats 30.0 to 40., higher quality fats 42.0, bobbies 7.0 to 12.0, Dutch (hinds and ends) 54.0 to 58.0.

Lamb: English small 28.0 to 32.0, higher quality small 34.0, medium 28.0 to 29.0, heavy 26.0 to 27.0, Scottish medium 25.0 to 26.0, heavy 25.0 to 27.0, Eire 25.0 to 27.0. Imported frozen—New Zealand D's 28.0 to 29.0, 2's 28.5 to 29.0, S's 27.0 to 28.5, YLs 26.5 to 27.0.

Ewes: 12.0 to 13.0.

Pork: English, under 100 lbs 25.0 to 32.0, 100-120 lbs 25.5 to 31.0, 120-160 lbs 26.0 to 30.0, 160-180 lbs. 24.0 to 27.0, 180 lbs and over 23.0 to 26.0.

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Brazilian: 2.10-2.20; South African: 2.30-2.90; Californian: 2.80-3.00. Grapefruit—South African: 3.00-3.40; Californian: 4.00-4.20. Lemons—Italian: 5.00; South Africans: 5.80-6.20. Apples—South African: Granny Smith 6.80; French: Cartons, Golden Delicious 20 lbs 3.10-3.20; Tasmanian: Democrats 6.20, Crofton 6.20, Sturmer 6.20; Western Australian: Granny Smith 6.30-6.40. Pears—Italian: Dr. Jules Guyot per pound 0.11-0.12, Williams 0.12-0.13; French: Per 28 lbs 2.70, Williams 3.10. Bananas—Windward Islands: Per 28 lbs 2.70; Jamaican: 2.60. Grapes—Cypriot: Per 12 lbs Sultana 1.40-1.50; Italian; Regina Nietti approx. 10 lbs 1.40. Peaches—Italian: Per 1½ trays 2.40-3.00. Plums—Spanish: Santa Rosa 1.80-2.40. Greengages—Spanish: 2.00-2.40. Tomatoes—Guernsey: 1.70; Jersey: 1.70. Courgettes—Jersey: 0.70. Onions—Spanish: 3.20-3.30. Melons—Israeli: Yellow 1.00-1.50; Spanish: 1.60-1.80.

English produce: Lettuce—Per 12 round 1.50, cos 1.50. Cucumbers—Per tray 12 1.60, 14 1.70, 16 1.70, 18 1.50. Potatoes—Per 56 lbs 2.80-3.10. Celery—Per 12 to 24 1.30. Peas—Per 36 lbs 3.00. Mushrooms—Per pound 0.25-0.30. Cabbages—Per bag, Primo 1.00. Marrows—Per 18 0.70. Cherries—Per pound black 0.40, white 0.25-0.30. Cauliflowers—Per 12 0.60-0.80. Carrots—Per 28 lbs 0.80-1.00. Tomatoes Per 12 lbs 1.70. Runner beans—Per pound 0.12-0.15. Onions—Per 56 lbs 2.80. Apples—Per pound Grenadiers 0.08-0.10. Courgettes—Per 12 lbs 0.70.

## JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for August-Sept. shipment: BWB £196, BWC £189, BWD £182. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods steady. Quotations c. and f. U.K. for August shipment: 10-oz. 40-inch £8.89; 7½-oz. £5.20 per 100 yards, Sept.: £7.00 and £5.32. Oct.-Nov. £7.17 and £5.49. "B" twills: £21.38, £21.49 and £21.66 for the respective shipment periods. Yarn and cloth prices irregular.

LONDON—Quiet. Bangladesh White "C" grade Aug.-Sept. £195. "D" grade Aug.-Sept. £189. A long ton.

CALCUTTA—Steady. Indian Aug. Rs.470. Dundee Daisee Aug. Rs.425 values. A bale of 400 lbs.

## COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 206 tonnes, F. W. Tattersall reports. Fair dealings occurred in a wide variety of American type qualities. A better trade persisted in East African growths with further support in Turkish and Russian styles.

# London copper market firmer

By Our Commodities Staff

THE FIRM silver market and weakness of sterling both helped to boost copper values on the London Metal Exchange yesterday.

Despite a 10,100 tonnes rise in LME warehouse stocks last week to a new peak of 344,675 tonnes, copper prices remained fairly buoyant throughout the day, cash wirebars closing £8.25 up, at £585.5 a tonne.

Tin prices eased following the weekend fall in the Penang market and a small rise of 45 tonnes in LME stocks, which now stand at 5,480 tonnes. Standard cash tin closed £2.5 down, at £3,135 a tonne.

Lead stocks rose 5,375 tonnes, to 63,225, and zinc stocks were up 1,500, to 23,075 tonnes.

# EXCHANGE PLAN

PORT MORESBY, Aug. 4.

Papua New Guinea Copra Marketing Board member, Mr. John Kasaipwalova, said he and a village co-operative leader would convene a meeting on Wednesday to discuss setting up a Port Moresby commodities exchange. He said in a Press statement that he was concerned about the marketing of Papua New Guinea's major commodities such as copra, coffee, copper and cocoa.

The exchange could serve Third World countries in the Pacific, he said. -Reuter

## PRICE CHANGES

Prices per ton unless otherwise stated.

| | Aug. 4 1975 | + or — | Month ago |
|---|---|---|---|
| **Metals** | | | |
| Aluminium (x) | £396 | ...... | £396 |
| Free Market cif | £555-£45 | +2.5 | £505-515 |
| Copper§ | | | |
| Cash Wire Bars (x) | £585.5 | +8.25 | £542.5 |
| 3 month do. do. (x) | £605.5 | +9.25 | £561.5 |
| Cash Cathode (x) | £574 | +8.0 | £530.5 |
| 3 months do. (x) | £594 | +9.5 | £549.5 |
| Gold Troy oz. | $166.5 | −0.25 | $163 |
| Lead Cash (x) | £173.5 | +0.875 | £157.25 |
| 3 months (x) | £181 | +1.0 | £163.75 |
| Nickel (x) | £1,958 | ...... | £1,958 |
| Free market cif (lb) | $1.75-.90 | ...... | $1.85-.95 |
| Platinum (#)troy oz. | £79-85½ | ...... | £72-78½ |
| Free Market | £80.1 | +1.0 | £68-15 |
| Quicksilver(76lb)(x) | $112-118 | ...... | $112-118 |
| Silver Troy oz. | 240.6p | +7.7 | 217.2p |
| 3 months | 248.1p | +8.1 | 212.5p |
| Tin Cash (x) § | £3,135 | −2.5 | £3,091 |
| 3 months (x) | £3,156.5 | −2.5 | £3,092.5 |
| Wolfram 22.04lb. cif | £40-41.5 | ...... | £37-39.5 |
| Zinc Cash (x) § | £333.5 | ...... | £323.75 |
| 3 months (x) | £344.125 | +0.875 | £315.5 |
| Producers (x) | £360 | ...... | £360 |
| **Oils** | | | |
| Coconut Malayan | ‡ | ...... | £160* |
| Groundnut 6% | ‡ | ...... | £325 |
| Linseed Crude (x) | £432 | ...... | £436 |
| Palm Malayan (x) | £218 | ...... | £163 |
| Soyabean (x) | ‡ | ...... | ‡ |
| **Seeds** | | | |
| Copra Philipp ton | $245v | ...... | $240 |
| Gr'nuts Nigerian | ‡ | ...... | ‡ |
| Linseed Can. No. 1. | £165 | ...... | £163.5 |
| **Grains** | | | |
| Barley EEC | £57.75 | −0.5 | £53.0 |
| Home Futures | £58.8 | +0.85 | £57.2 |
| Maize | | | |
| French No.3 Am. | £64.5k | −0.75 | £66 |
| S.A. Yellow | £69.0k | ...... | £65 |
| Wheat | | | |
| No. 1 Red Spring | ‡ | ...... | ‡ |
| No.2 Hard Winter | ‡ | ...... | ‡ |
| Australian (f.a.q.) | ‡ | ...... | ‡ |
| English Milling | £62.5r | +0.5 | £57.5 |
| Cocoa Shipment (x) | £708 | +11.5 | £615 |
| futures Sept. (x) | £583 | +13.5 | £511.0 |
| Coffee Shipment (c) | ‡ | ...... | ‡ |
| futures Sept. (Ulb) | £785.5 | +24.75 | £463 |
| Cotton 'A' Index cent | 54.95 | +0.05 | 53.9 |
| Jute LJABWC (d) | £195 | ...... | £200 |
| Rubber kilo | 35.75p | −0.25 | 33p |
| Sisal EA3L (x) | $600 | ...... | $600* |
| Sugar (raw) | £195 | +10 | £155 |
| Wooltops 64s kilo | 186p | ...... | 190p |
| Cloves (Madagaska) | £2,580 | ...... | £2,550 |
| Pepper White ton | £985 | ...... | £560 |
| Black ton | £680 | ...... | £650 |

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h August. k Aug.-Sept. x Metric tons. r September. v Aug.-Oct. s July-Aug. t Nov. q May-June. w Nov.-Jan.

### FINANCIAL TIMES

| Aug. 4 | Aug. 1 | Month ago | Year ago |
|---|---|---|---|
| 178.52 | 177.60 | 159.37 | 208.30 |

(Base: July 1, 1952=100)

### REUTER'S

| Aug. 4 | Aug. 1 | Month ago | Year ago |
|---|---|---|---|
| 1144.4 | 1138.0 | 1077.2 | 1251.5 |

(Base: Sept. 18, 1931=100)

### DOW JONES

| Dow Jones | Aug. 4 | Aug. 1 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 311.08 | 303.70 | 273.73 | 371.10 |
| Futures | 293.72 | 286.49 | 251.94 | 359.59 |

(Average 1924-25-26=100)

### MOODY'S

| Moody's | Aug. 4 | Aug. 1 | Month ago | Year ago |
|---|---|---|---|---|
| Sple Comm'ty | 785.1 | 777.6 | 735.3 | 958.1 |

(Dec. 31, 1931=100)

GRIMSBY FISH—Supply good, demand fair. Number of Boats 26. Number of Kits 8,293. Prices per stone at ship's side: Shelf cod £1.60-£2.40. Codlings £1.50-£2.00, large haddocks £2.80-£3.00, medium £2.40, small £1.80, large plaice £3.30, medium £3.20, small £2.60, large skinned dogfish £4.20, medium £3.80, coalfish £0.80-£0.90, rockfish £0.80-£1.00, lemon soles £3.80-£4.20, reds £0.80-£1.00.

# Limit gains in sugar, soyabeans

NEW YORK, August 4.

COPPER edged higher despite the twenty-first consecutive weekly LME stock increase. Cocoa advanced in sympathy with silver and grains. Sugar closed limit-up on reports of lower than expected sugar content in the West European beet crop. Chicago grains finished limit-up in beans and higher in maize and wheat on continued dry weather in key growing areas, Bache reports.

Cocoa—Ghana spot 77 nom. (76 nom.). Bahia spot 62½ nom. (61½ nom.). Sept. 51.15 (55.90), Dec. 53.10 (51.95), March 51.03, May 50.63, July 50.33, Sept. 49.83, Dec. 49.28. Sales: 969.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams 103.00 asked (unquoted). "C" Contract: Sept. 87.80-87.95 (84.90), Nov. 86.50-87.00 (83.00), Dec. 85.60-85.60, March 85.50, May 87.10, July 88.00 nom. Sales: 325.

Copper—Aug. 58.00 (57.50), Sept. 58.50 (57.90), Oct. 59.10, Dec. 60.30 settlements. Sales: 1,407 lots.

Cotton—Oct. 50.58-50.68 (49.86), Dec. 50.75-50.80 (50.16), March 51.70, May 52.30 bid, July 52.90, Oct. 53.30 bid. Dec. 53.55 bid. Sales: 1,073.

ΦGold—Aug. 167.60 (same), Sept. 169.10 (169.00), Oct. 170.30, Dec. 173.10, Feb. 176.30, April 179.40, June 182.40, Aug. 185.40, Oct. 188.40, Dec. 191.40. Sales: 680.

Canadian markets in Toronto and Winnipeg were closed to-day, owing to the civic holiday.

Greasewool—Spot 141.5 nom. (same), Oct. 141.5-146.0 (140.0), Dec. 143.5-149.0 (143.5), March 146.0-148.0, May 146.0-150.5, July 146.0-152.5, Oct. 146.0 bid, Dec. 146.0 bid.

†Lard—Chicago loose 36 nom. (same). NY prime steam 37½ nom. (same).

††Maize—Sept. 229½-299 (298½-290), Dec. 290-289½ (281½-282½), March 297-297½, May 301, July 302.

‡Platinum—Oct. 174.90 (172.50), Jan. 179.40 (177.10), April 184.20 bid, July 188.10, Oct. 193.00, Jan. 196.90-197.00. Sales: 218.

‡‡Silver—Spot 518.00 (503.00), Aug. 516.50 (507.30), Sept. 520.50 (511.30), Oct. 524.70, Dec. 534.20, Jan. 538.70, March 547.50, May 555.90, July 564.20, Sept. 572.40, Dec. 584.40. Sales: 3,054.

*Soyabeans—Aug. 605½ bid (585½), Sept. 610 bid (590), Nov. 613-612 bid, Jan. 619½-619½ bid, March 627½ bid, May 635-636, July 639, Aug. 639-639½.

bSoyabean Meal—Aug. 1 33.00-133.20 (130.40), Sept. 136.50-136.60 (134.00), Oct. 139.50, Dec. 144.50, Jan. 147.50-148.00, March 151.50-152.50.

Soyabean Oil—Aug. 29.35-29.50 (27.80), Sept. 27.63 bid (28.63), Oct. 26.67 bid, Dec. 25.55 bid, Jan. 25.19 bid, March 24.72 bid, May 24.28 bid, July 24.00 bid, Aug. 23.75 bid.

Sugar—Spot 18.00 (17.00), Sept. 18.17-18.18 (16.90), Oct. 17.38 bid (16.38), Jan. 17.70, March 16.85 bid, May 16.80 bid, July 16.60 asked, Sept. 16.58-16.60, Oct. 16.53. Sales: 3,622.

Tin—313.50-389.00 nom. (317.00-382.00).

**Wheat—Sept. 371-370 (370-369), Dec. 387-385½ (383½-385), March 393½-397½, May 400, July 397.

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store.

## STOCK EXCHANGE REPORT

# Another very quiet day but rally in gilts continues

## Share index down 0.7 at 282.1—golds hold steady

**Account Dealing Dates**

**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| July 14 | July 24 | July 25 | Aug. 5 |
| July 28 | Aug. 7 | Aug. 8 | Aug. 19 |
| Aug. 11 | Aug. 20 | Aug. 21 | Sep. 2 |

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A further rally in Gilt-edged securities at the opening in response to the favourable terms of the new long "tap" stock announced late last Friday was again the main feature of an otherwise lifeless session in stock markets yesterday. Even in this sector, activity was only modest, with closing rises extending to ¾ at the long end mostly reflecting a mark up in prices at the start of business. The Government Securities index improved 0.26 further to 60.70, making a rise of 0.56 over the last two trading days.

Renewed firmness in Gilts helped towards a slightly better trend in leading equities in the first hour or so of business, but with investors still showing a marked reluctance to commit themselves, prices drifted gently downwards. Movements throughout the day were narrow and the FT 30-share index, which touched its lowest at 3 p.m. with a loss of 1.4, ended only a net 0.7 off at 282.1.

Week-end Press comment produced only a small interest and official markings of 3,480 fell below last Friday's level of 3,526, and constituted a record low for a normal day apart from holiday periods, since the war.

### Gilts hold initial rise

Long-dated British Funds opened at the enhanced levels reached late last Friday following news of £600m. issue of Treasury 12¾ per cent., 1992, stock. That was the day's only event, however, for subsequent interest was disappointingly sparse and quotations did little more than hover around the higher limits. Slight easiness at midday was checked by the latest U.K. official reserve figure until "after-hours" when talk of a possible further rise in U.S. Treasury bill rates clouded the scene again. Final gains were highly individual and stretched to ¾ as in Treasury 13¼ per cent., 1997, at 95¼. Business at the short end of the market was upheld only by the two ex-dividend stocks of which Treasury 6¾ per cent., 1977, traded impressively to close ⅜ higher at 94⅝; Treasury 11½ per cent., 1979, gained ⅛ to 99⅛.

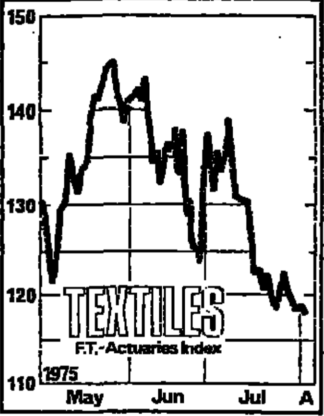
The occasional buyer of investment currency in a market partly influenced by the initial easiness in sterling, pushed the premium higher to a close of 89½ per cent., up 2 points. Yesterday's SE Conversion was 0.6436 (0.6490).

### Banks neglected

In the wake of the disappointing interim dividend season, the big four Banks had one of their quietest days for some while. Virtually ignored throughout the day, prices closed at, or near, to last Friday's closing levels. A nervous market last week on concern over its substantial Nigerian interests, Standard and Chartered perked up a little, firming 5 to 445p with the help of favourable week-end Press comment. Discounts were quiet, with Union 3 lower at 294p. Merchant Banks closed narrowly mixed. Hambros hardened a penny to 185p, while Guinness Peat cheapened 2 to 130p.

Insurances were no exception to the general lethargy. Prices generally drifted quietly lower on lack of support. Matthews Wrightson gave up 4 to 148p, but Hogg Robinson held steady at 120p in front of to-day's preliminary results. Pearl were a firm exception at 184p, up 2.

A small speculative demand in a restricted market took George Sandeman 5 higher to 40p. Distillers cheapened a penny to 106p following news of the £25m. loan




facility agreement with the Finance Corporation for Industry. Breweries closed easier where changed. Arthur Guinness, 109p, lost a penny of last week's speculative rise of 10.

Buildings provided little interest, with price movements narrowly mixed. Further consideration of the results caused J. Jarvis, 98p, to lose half of last Friday's gain of 6, while similar losses were marked against Richard Costain, 168p, Taylor Woodrow, 232p, and Johnson-Richards Tiles, 90p. Wilson (Connolly) receded 2 to 32p and Crossley Building closed a similar amount down at 43p in new "ex-rights" form, with the new nil-paid shares ending at 4p premium. Crouch Group, on the other hand, hardened 2 to 23p, while the increased dividend and higher profits prompted an improvement of a penny to 10p in Howard Shuttering.

In lifeless conditions, ICI eased to 244p before closing a penny lower on the day at 245p. W. W. Ball gave up 2 to 30p and Stewart Plastics eased 3 to 43p. Hoechst, however were 5 dearer at 375p.

ATV 'A' improved 3 to 38p in Televisions.

### EMI ease

Electrical leaders were inclined to close a shade easier following another very thin trade. News of the strong order position for EMI's revolutionary X-ray scanning machine was soured by week-end Press comment that General Electric, of the U.S., was understood to have produced a rival machine; in the event, EMI eased 2 to 161p. Among secondary issues, favourable Press mention stimulated interest in Cohen Bros., which closed a penny firmer at 54p, after having touched a new peak for the year of 55p. Pye Holdings hardened a penny to 44p; half-time results are expected August 20. Wholesale Fittings put on 2 to 52p, but Farnell Electronics contrasted with a decline of 4 at 59p. Electronic Machine were also in dull mood, slipping 2 to 42p. Crellon were quoted ex "rights" at 28p, down a penny, with the new nil-paid at 1½p premium.

Business was extremely slow in leading Stores, which generally finished slightly softer. Burton "A," however, at 37p, managed to retrieve a penny of the recent fall. Losses of about 2 occurred in British Home Stores, 288p, and House of Fraser, 67½p, while Marks and Spencer ended a shade down at 92p. Elsewhere, Vantona provided the only real point of interest, the shares reacting to 40p before ending a net 2 off at 42p in reflection of adverse Press comment on the Spirella bid situation; the latter held steady at 39½p. Increased profits failed to help Hall and Earl, unaltered at 6p.

The effects of a bearish broker's circular about prospects for many Engineerings began to take hold, particularly in GKN, 198p, and Tube Investments, 228p, both down 4. Others affected included Averys, 89p, Renold, 103p, and Acrow "A," 51p, with losses of 2 apiece. Hawker, recommended as a "buy," could only improve 1 to 247p, while Vickers, also a recipient of favourable mention, finally eased 1 to 118p, after 120p. Week-end Press comment, however, helped Saville Gordon rise 1½ to 23p, and renewed speculative interest took Baker Perkins up 3 to 38p. Also 3 higher were Tobenoil, at 23p, while Tecalemit rose 2 to 30p. Of the many casualties, Charles Roberts lost 5 to 145p, Weyburn a similar amount to 193p, and Herbert Morris 4 to 40p. Deritend Stamping, too, were 4 cheaper at 92p, and Manganese Bronze eased ½ to 5p on adverse newspaper mention.

Foods made a drab showing with sporadic selling responsible for easiness in Sainsbury, 128p, and Tate and Lyle, 177p, both around 3 cheaper. Similar losses appeared in Kinloch, 110p, Lockwoods, 50p, and FMC, 65p, all of which are difficult markets at the moment, but fresh demand raised Goldrei Foucard 4 to 24p. Cavenham improved late to 116p, up 2. Elsewhere, Stanneylands were a small feature at 19p, up 2.

### Central Mfg. erratic

Miscellaneous Industrial leaders stirred only slightly in very thin trading. Unilever managed to retrieve 4 at 324p ahead of half-time results, due to-morrow week. Reed International, 2 better at 186p, after 189p, recovered a little more of the recent sharp fall on the first-quarter profits setback. Rank Organisation "A," however, receded 5 to 120p, and Boots shed 2 to 96p. Elsewhere, Central Manufacturing, currently engaged in merger discussions with LCP, rose to 72p before closing only a net 1½ firmer at 67½p on Press suggestions that GKN was planning a counter-offer. LCP help steady at 44p. Press comment also aided Petrocon, 2½ firmer at 93p.

Aaronson Bros. found support and improved 4 to 30p, while Restmor put on 3 to 42p and Norvic Securities 2 to 21p. Letraset ended a penny up at 30p, after 31p, on the annual results. Bridon, on the other hand, shed 3 to 120p following Press coverage on a broker's adverse circular. BTR were quoted ex "rights" at 113p, with the new nil-paid at 23p premium.

Price movements were a rarity in Motors, but where changed they were usually easier. Lucas Industries shed a penny to 94p. Clayton Dewandre were quoted ex the "rights" offer at 46p, while the new nil-paid shares ended at 8p premium. A firm market recently on good interim results, Pride and Clarke reacted 5 to 145p.

DRG edged forward a couple of pence to 91p in otherwise static Paper/Printings. News that Jefferson Smurfit had increased its stake in Alliance Alders to just under 30 per cent. failed to influence either quotation at 84p and 25p respectively. Elsewhere, Routledge and Kegan Paul hardened 2 to 30p.

### Land Securities lower

Business remained extremely light in the Property leaders, which hardly stirred from last Friday's closing levels. Land Securities proved an exception, showing renewed dullness and finishing 4 cheaper at 135p, after 134p, ex "rights" to the new 10 per cent. Convertible Loan, 1990-95; in nil-paid form, the Loan stock opened at £3½ premium and drifted down in a small turnover to end at £1¼ premium. The old 5¼ and 6¼ per cent. Convertibles of Land Securities receded 4 and 7 points respectively to £105 and £90. Elsewhere, Churchbury Estates, after last week's strong finish on a large line of stock changing hands, advanced 11 more to 128p, stimulated further by Press comment on bid possibilities. Dealings in Barranquilla Investments were resumed yesterday following publication of terms for the foreshadowed bid from Granada; the shares opened and closed at £31 in line with the bid value, compared with the suspension price of £24½. United Real Property put on 3 to 170p, but Land and House declined 5 to 68p and Centrovincial Estates Capital 2 to 14p.

Fairly strong industry reports that British Petroleum had made a fresh North Sea oil discovery failed to enthuse buyers, despite last week's marked price reaction; the opening quotation was higher, but it quickly eased from 467p to 460p, before closing 2 cheaper on the day at 463p. Shell hovered either side of 283p, a net 1 harder, while investment currency influences put Royal Dutch up ¼ to £25. Ultramar shed 2 to 166p and Tricentrol were finally 1 off at 39p. Oversea issues were quietly mixed, Siebens (U.K.) improving 10 to 620p, but Pan Ocean losing 20 to 770p.

Scattered irregular movements were displayed in Overseas Traders. Jamaica Sugar improved 2 to 16p.

After last Friday's speculative rise on bid hopes, Furness Withy turned reactionary as interest waned to end 5 down at 227p. Elsewhere in idle Shippings, P and O Deferred eased a shade to 81½p.

Trusts and Financials displayed no set trend after a small turnover. Jersey General improved 5 to 230p and Dalgety hardened 4 to 184p, but Authority Investments declined 5½ to 26p.

With the exception of Courtaulds, which managed to harden a penny to 111p, Textiles generally drifted gently lower on very little business. A dull market of late on fears of short-time working after the decision by Marks and Spencer to make substantial stock-cutting, adverse Press comment brought further pressure to bear on Nottingham Manufacturing, which eased to 41p initially before closing a net 3 lower at 43p. Sidlaw Industries, 35p, sustained a similar fall, while Coats Patons receded 1½ to 40½p.

Still upset by last week's disappointing interim results, Bats cheapened 8 more to 275p.

### Mines mark time

Up 5 last week, Peacock Sasini were wanted again in Teas, rising 3 more to a 1975 high of 37p. Clairmace also attracted interest and firmed 4 to 50p. Consolidated Tea and Lands, 200p, and Cessnock, 170p, lost 5 and 10 respectively on lack of support. Rubbers were ignored and closed little changed.

Business in Mining markets, generally, dwindled to a low ebb. Prices were reasonably steady, those of the overseas-registered issues being bolstered by the firmness of the investment dollar premium.

Golds failed to draw much inspiration from the bullion price which was lowered 40 cents to $166.35 per ounce at the morning fixing. It subsequently ended the day at $166.50. Reflecting the scattered small losses, the Gold Mines index gave up 1.2 at 357.8.

Hartebeest (£26½) and Western Deep (£19) each lost ½ while Durban Deep (£10¾) and East Rand Proprietary (10¾) were both ¼ firmer. In Financials, Continental interest was reported in RTZ, which hardened 2 to 170p despite the fall in half-year profits of the Canadian Rio Algom arm. In Platinums, a modest demand from the Cape lifted Potgietersrust 3 to 235p.

Business in Australian issues was not helped by the holiday closure of the Sydney market, but Melbourne was open. In London, the firm dollar premium helped to steady prices in the absence of buying interest.

Poseidon gained 5 to 200p on consideration of the deepest intersection so far of good nickel values at the Mount Windarra property in Western Australia.

In a quiet Tin group, Berjuntai lost 5 to $25p in a market subdued by the further fall in the Penang tin prices which has lost $M32 to $M993 per picul since last Wednesday. Elsewhere, Cape offerings lowered Botswana RST 2 to 82p while Consolidated Murchison eased 10 to 670p.

## FINANCIAL TIMES STOCK INDICES

| — | Aug. 4 | Aug. 1 | July 31 | July 30 | July 29 | July 28 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs | 60.70 | 60.44 | 60.14 | 60.42 | 60.83 | 61.09 | 56.13 |
| Fixed Interest | 60.36 | 60.38 | 60.36 | 60.67 | 60.76 | 60.81 | 55.20 |
| Industrial Ordinary | 282.1 | 282.8 | 285.3 | 288.5 | 291.8 | 294.5 | 258.2 |
| Gold Mines | 357.8 | 359.0 | 358.3 | 361.1 | 366.9 | 358.6 | 379.6 |
| Ord. Div. Yld. % | 7.27 | 7.25 | 7.26 | 7.10 | 7.01 | 6.94 | 8.33 |
| Earnings Yld. % (full) (a) | 20.98 | 20.91 | 20.86 | 20.51 | 20.24 | 20.04 | 22.39 |
| P/E Ratio (net) (a) (b) | 6.60 | 6.62 | 6.54 | 6.96 | 7.05 | 7.12 | 6.24 |
| Dealings marked | 3,480 | 3,526 | 3,718 | 4,597 | 4,733 | 4,864 | 6,384 |
| Equity turnover £m | — | 34.87 | 48.27 | 36.28 | 41.30 | 37.65 | — |
| Equity bargains total | — | 8,932 | 9,303 | 9,740 | 11,820 | 11,629 | 10,192 |

10 a.m. 283.2. 11 a.m. 283.1. Noon 282.5. 1 p.m. 282.2. 2 p.m. 281.6. 3 p.m. 281.4.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=6.76.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

### HIGHS AND LOWS

| — | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 62.34 (30/5) | 49.18 (3/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 62.31 (21/5) | 50.63 (3/1) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 366.3 (5/6) | 146.0 (6/1) | 543.6 (19/5/72) | 49.4 (26/6/40) |
| Gold Mines | 442.3 (22/5) | 280.2 (20/1) | 442.3 (22/5/75) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| — | Aug. 4 | Aug. 1 |
|---|---|---|
| Daily— | | |
| Gilt-Edged | 121.2 | 118.4 |
| Industrials | 110.8 | 115.1 |
| Speculative | 29.4 | 36.4 |
| Totals | 79.2 | 80.2 |
| 5-day Average | | |
| Gilt-Edged | 118.9 | 121.5 |
| Industrials | 132.9 | 143.3 |
| Speculative | 44.2 | 48.8 |
| Totals | 91.3 | 97.6 |

# F.T.—ACTUARIES SHARE INDICES

**These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries**

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

| | Group | Mon. Aug. 4 Index No. | Day's Change % | Est. Earnings Yield % (Max) (Corp. Tax 52%) | Gross Div. Yield % (ACT at 35%) | Est. P/E Ratio (net) (Corp. Tax 52%) | Est. P/E Ratio (nil) (Corp. Tax 52%) | Friday Aug. 1 Index No. | Thurs. July 31 Index No. | Wed. July 30 Index No. | Tues. July 29 Index No. | Year ago (approx.) Index No. | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (181) | 103.17 | −0.4 | 22.54 | 7.81 | 6.65 | 6.64 | 103.64 | 104.15 | 106.03 | 107.82 | 84.75 | 131.26 (6/6) | 51.78 (6/1) | 206.47 (4/5/72) | 15.70 (13/12/74) |
| 2 | Building Materials (30) | 88.05 | +0.1 | 19.84 | 8.95 | 7.49 | 7.49 | 87.96 | 88.89 | 89.10 | 90.34 | 85.26 | 117.40 (22/4) | 45.11 (6/1) | 233.84 (2/5/72) | 44.27 (11/12/74) |
| 3 | Contracting, Construction (23) | 179.91 | −0.5 | 20.09 | 5.13 | 7.49 | 7.49 | 181.05 | 180.56 | 184.79 | 187.59 | 135.48 | 251.61 (25/4) | 74.74 (6/1) | 389.35 (18/5/72) | 71.48 (12/12/74) |
| 4 | Electricals (16) | 194.25 | −0.2 | 20.99 | 5.96 | 7.00 | 6.99 | 194.71 | 194.68 | 200.98 | 206.57 | 154.66 | 254.64 (6/6) | 98.49 (2/1) | 360.04 (4/6/72) | 84.71 (25/6/62) |
| 5 | Engineering (Heavy) (13) | 122.42 | −0.2 | 27.80 | 8.87 | 5.48 | 5.48 | 122.71 | 123.17 | 126.07 | 129.94 | 96.77 | 159.79 (22/4) | 64.39 (2/1) | 202.67 (8/6/73) | 64.39 (2/1/75) |
| 6 | Engineering (General) (65) | 90.42 | −0.9 | 24.06 | 9.04 | 6.14 | 6.14 | 91.20 | 91.85 | 93.49 | 94.36 | 70.70 | 117.40 (6/6) | 45.43 (6/1) | 168.59 (4/5/72) | 45.43 (6/1/75) |
| 7 | Machine and Other Tools (9) | 38.05 | +0.5 | 18.60 | 10.83 | 9.82 | 9.82 | 37.86 | 38.02 | 38.64 | 38.48 | 29.75 | 48.98 (20/6) | 20.11 (2/1) | 136.70 (4/7/68) | 19.96 (13/12/74) |
| 8 | Miscellaneous (23) | 94.06 | −0.7 | 25.83 | 8.23 | 5.79 | 5.79 | 94.70 | 95.46 | 95.89 | 97.67 | 77.51 | 121.76 (6/6) | 49.65 (6/1) | 177.41 (27/4/72) | 49.65 (6/1/75) |
| 9 | CONSUMER GOODS (DURABLE) (53) | 79.33 | +0.1 | 25.10 | 7.76 | 5.83 | 5.82 | 79.27 | 80.00 | 81.15 | 81.98 | 69.84 | 93.15 (6/6) | 38.39 (6/1) | 297.78 (21/4/72) | 38.39 (6/1/75) |
| 10 | Electronics, Radio TV etc. (15) | 92.15 | +0.6 | 22.01 | 5.76 | 6.72 | 6.72 | 91.59 | 92.88 | 94.87 | 95.83 | 82.24 | 106.34 (6/6) | 44.28 (6/1) | 257.41 (19/5/72) | 42.86 (12/12/74) |
| 11 | Household Goods (15) | 123.65 | −0.2 | 34.11 | 8.32 | 4.50 | 4.30 | 123.85 | 125.24 | 125.95 | 126.21 | 110.52 | 146.90 (23/4) | 64.53 (8/1) | 263.82 (4/5/72) | 63.92 (17/12/74) |
| 12 | Motors and Distributors (27) | 41.95 | −0.8 | 25.93 | 11.12 | 5.54 | 5.51 | 42.27 | 42.23 | 42.49 | 43.12 | 35.99 | 50.91 (6/6) | 19.91 (6/1) | 170.59 (15/1/69) | 19.91 (6/1/75) |
| 13 | CONSUMER GOODS (NON-DURABLE) (167) | 115.74 | −0.5 | 17.37 | 7.27 | 8.26 | 8.22 | 116.26 | 116.35 | 117.60 | 119.62 | 92.34 | 146.45 (6/6) | 61.98 (6/1) | 226.08 (16/8/72) | 61.41 (13/12/74) |
| 14 | Breweries (16) | 128.82 | −0.7 | 15.77 | 7.85 | 9.58 | 9.58 | 129.80 | 129.36 | 129.95 | 134.28 | 103.48 | 163.83 (6/6) | 75.58 (6/1) | 281.87 (28/11/72) | 69.47 (13/12/74) |
| 15 | Wines and Spirits (7) | 131.00 | +0.5 | 14.86 | 7.74 | 10.15 | 10.15 | 130.30 | 131.40 | 133.69 | 136.79 | 121.16 | 177.94 (9/7) | 80.42 (6/1) | 257.40 (13/7/72) | 78.88 (13/12/74) |
| 16 | Entertainment, Catering (16) | 131.95 | — | 16.80 | 8.43 | 8.87 | 8.87 | 131.94 | 131.84 | 134.85 | 138.13 | 92.26 | 158.44 (27/6) | 55.28 (6/1) | 329.99 (12/12/72) | 54.83 (9/1/75) |
| 17 | Food Manufacturing (22) | 125.20 | +0.5 | 16.39 | 6.37 | 8.58 | 8.35 | 124.60 | 124.54 | 126.53 | 126.89 | 95.46 | 156.57 (6/6) | 62.03 (2/1) | 211.86 (1/5/72) | 59.77 (11/12/74) |
| 18 | Food Retailing (16) | 115.46 | −1.6 | 13.66 | 5.59 | 10.67 | 10.67 | 117.34 | 116.53 | 115.98 | 117.74 | 80.85 | 149.17 (4/6) | 57.15 (2/1) | 236.08 (15/8/72) | 54.25 (11/12/74) |
| 19 | Newspapers, Publishing (15) | 114.99 | +0.4 | 18.23 | 8.44 | 8.34 | 8.34 | 114.58 | 114.37 | 117.65 | 119.50 | 110.49 | 152.14 (6/6) | 55.08 (6/1) | 260.29 (18/1/72) | 55.08 (6/1/75) |
| 20 | Packaging and Paper (13) | 78.44 | — | 28.15 | 9.38 | 5.21 | 5.22 | 78.41 | 78.08 | 79.65 | 80.98 | 69.21 | 107.12 (30/6) | 43.46 (6/1) | 136.69 (26/4/72) | 43.46 (6/1/75) |
| 21 | Stores (30) | 99.01 | +0.3 | 14.57 | 6.60 | 10.44 | 10.44 | 98.76 | 99.48 | 101.20 | 102.59 | 78.23 | 132.94 (20/6) | 52.63 (6/1) | 204.39 (16/8/72) | 52.63 (6/1/75) |
| 22 | Textiles (23) | 117.61 | −0.8 | 29.56 | 9.11 | 4.05 | 3.96 | 118.62 | 118.16 | 119.38 | 120.70 | 111.54 | 145.07 (27/5) | 62.91 (6/1) | 253.72 (17/9/64) | 62.86 (11/12/74) |
| 23 | Tobacco (3) | 170.41 | −2.7 | 19.43 | 7.82 | 7.65 | 7.65 | 175.07 | 174.97 | 175.62 | 178.82 | 124.70 | 199.16 (10/5) | 109.92 (6/1) | 359.16 (2/8/72) | 94.34 (13/6/62) |
| 24 | Toys and Games (6) | 41.72 | — | 31.36 | 8.68 | 4.38 | 4.38 | 41.72 | 41.00 | 41.18 | 40.71 | 32.74 | 44.08 (6/6) | 20.92 (6/1) | 135.72 (16/1/70) | 20.92 (6/1/75) |
| | OTHER GROUPS (92) | | | | | | | | | | | | | | | |
| 25 | Chemicals (24) | 154.56 | −0.2 | 22.52 | 5.92 | 6.36 | 6.36 | 154.84 | 155.74 | 157.52 | 159.69 | 117.17 | 189.17 (6/6) | 73.14 (6/1) | 201.92 (31/1/69) | 71.20 (11/12/74) |
| 26 | Office Equipment (10) | 71.14 | −0.5 | 19.65 | 7.32 | 7.06 | 7.06 | 71.53 | 73.28 | 74.51 | 75.25 | 62.23 | 104.76 (17/4) | 45.34 (2/1) | 246.06 (1/8/72) | 45.34 (2/1/75) |
| 27 | Shipping (12) | 322.35 | −0.2 | 26.66 | 7.45 | 4.84 | 4.68 | 323.01 | 319.76 | 320.84 | 327.29 | 279.84 | 401.84 (10/5) | 194.38 (6/1) | 517.00 (5/12/72) | 90.80 (29/6/62) |
| 28 | Miscellaneous (46) | 118.42 | −0.4 | 23.77 | 8.54 | 6.42 | 6.42 | 117.89 | 118.18 | 120.21 | 121.82 | 102.48 | 153.58 (6/6) | 60.39 (6/1) | 258.83 (2/5/72) | 60.39 (6/1/75) |
| 29 | INDUSTRIAL GROUP (496) | 114.00 | −0.3 | 20.28 | 7.32 | 7.12 | 7.10 | 114.35 | 114.72 | 116.22 | 118.07 | 93.26 | 143.43 (6/6) | 59.19 (6/1) | 220.17 (1/5/72) | 59.01 (13/12/74) |
| 30 | OILS (4) | 256.08 | −0.1 | 28.74 | 5.93 | 3.73 | 3.48 | 256.25 | 260.28 | 263.01 | 266.20 | 170.08 | 296.47 (4/6) | 105.83 (2/1) | 431.66 (29/5/69) | 87.23 (29/5/62) |
| 31 | 500 SHARE INDEX | 125.81 | −0.3 | 21.61 | 7.10 | 6.23 | 6.10 | 126.15 | 126.80 | 128.41 | 130.38 | 99.83 | 156.14 (6/6) | 63.49 (6/1) | 227.95 (16/8/72) | 63.49 (13/12/74) |
| 32 | FINANCIAL GROUP (100) | 111.10 | −0.5 | — | 6.44 | — | — | 111.61 | 112.67 | 114.13 | 116.45 | 93.62 | 148.45 (30/5) | 56.60 (6/1) | 241.41 (11/4/72) | 55.88 (13/12/74) |
| 33 | Banks (6) | 125.53 | −0.1 | 24.65 | 6.33 | 6.10 | 6.10 | 125.36 | 128.61 | 131.78 | 133.95 | 108.33 | 177.11 (6/6) | 62.56 (2/1) | 288.32 (30/7/72) | 62.44 (12/12/74) |
| 34 | Discount Houses (9) | 139.28 | −0.3 | — | 8.69 | — | — | 139.68 | 142.08 | 142.07 | 142.07 | 105.60 | 169.27 (7/3) | 84.13 (6/1) | 293.13 (2/5/72) | 81.40 (10/12/74) |
| 35 | Hire Purchase (5) | 88.12 | −0.5 | 28.32 | 10.29 | 4.69 | 4.30 | 87.65 | 88.88 | 89.92 | 88.99 | 124.73 | 134.39 (10/3) | 42.81 (6/1) | 433.72 (4/5/72) | 38.83 (11/12/74) |
| 36 | Insurance (Life) (9) | 95.23 | — | — | 7.19 | — | — | 95.27 | 95.73 | 96.52 | 98.89 | 77.40 | 127.97 (25/4) | 44.88 (2/1) | 194.48 (15/3/72) | 44.88 (2/1/75) |
| 37 | Insurance (Composite) (7) | 93.39 | −1.0 | — | 7.07 | — | — | 94.31 | 95.02 | 96.45 | 98.19 | 66.59 | 123.90 (20/5) | 44.47 (2/1) | 155.76 (21/4/72) | 43.96 (13/12/74) |
| 38 | Insurance (Brokers) (8) | 180.38 | −0.3 | 11.38 | 4.69 | 13.18 | 13.18 | 180.84 | 183.72 | 184.14 | 184.83 | 123.11 | 211.50 (30/5) | 68.96 (7/1) | 262.57 (12/12/73) | 66.86 (16/12/74) |
| 39 | Merchant Banks (19) | 75.40 | −0.3 | — | 7.27 | — | — | 75.60 | 76.15 | 77.46 | 78.85 | 74.26 | 94.97 (7/5) | 31.21 (7/1) | 278.57 (1/5/72) | 31.21 (7/1/75) |
| 40 | Property (32) | 138.36 | −1.1 | 5.32 | 4.33 | 27.89 | 26.57 | 139.84 | 138.09 | 137.54 | 142.96 | 133.80 | 241.22 (22/4) | 88.19 (7/1) | 387.40 (9/11/73) | 56.01 (20/4/65) |
| 41 | Miscellaneous (5) | 62.97 | −0.3 | 17.97 | 10.53 | 8.20 | 8.12 | 63.14 | 63.12 | 63.12 | 63.63 | 67.70 | 75.78 (25/4) | 34.78 (10/1) | 303.13 (18/5/72) | 33.29 (17/12/74) |
| 42 | Investment Trusts (50) | 143.59 | −0.7 | 3.48 | 4.93 | 28.79 | 28.77 | 143.56 | 145.40 | 148.31 | 149.42 | 110.59 | 178.53 (6/6) | 73.43 (6/1) | 248.79 (26/4/72) | 71.63 (13/12/74) |
| 43 | ALL-SHARE INDEX (650) | 122.82 | −0.3 | — | 5.84 | — | — | 123.23 | 124.03 | 125.66 | 127.64 | 98.43 | 154.09 (6/6) | 62.16 (6/1) | 228.18 (1/5/72) | 61.92 (13/12/74) |
| | COMMODITY GROUPS (Not included in 500 or All-Share indices) | | | | | | | | | | | | | | | |
| 44 | Rubbers (10) | 400.98 | — | 14.16 | 8.22 | 10.27 | 10.19 | 400.98 | 403.54 | 400.31 | 402.65 | 308.84 | 525.43 (23/5) | 281.66 (2/1) | 556.57 (23/7/73) | 84.68 (25/8/65) |
| 45 | Teas (10) | 100.94 | −0.1 | 35.94 | 10.25 | 3.88 | 3.71 | 101.01 | 101.01 | 101.18 | 101.01 | 84.11 | 104.16 (18/7) | 76.76 (10/1) | 121.47 (1/6/72) | 69.72 (17/10/74) |
| 46 | Coppers (3) | 359.84 | −0.9 | 34.57 | 20.99 | 1.83 | 1.83 | 363.00 | 371.41 | 363.73 | 363.73 | 384.40 | 467.74 (27/5) | 349.52 (22/7) | 567.78 (13/7/73) | 94.08 (29/4/62) |
| 47 | Mining Finance (11) | 122.03 | +0.2 | 10.04 | 4.33 | 10.94 | 10.94 | 121.81 | 122.06 | 122.54 | 124.08 | 93.16 | 141.34 (30/5) | 80.58 (22/1) | 175.90 (23/4/68) | 66.31 (30/9/74) |
| 48 | Tins (8) | 88.61 | −0.5 | 11.51 | 9.35 | 11.19 | 9.61 | 89.07 | 89.74 | 90.63 | 90.61 | 69.05 | 114.49 (3/6) | 68.91 (8/1) | 125.43 (12/1/73) | 64.83 (27/6/71) |
| 49 | Overseas Traders (13) | 200.71 | −0.1 | 17.30 | 4.93 | 7.40 | 7.39 | 200.84 | 201.53 | 203.37 | 205.41 | — | 252.25 (20/5) | 97.37 (6/1) | 252.25 (20/5/75) | 97.37 (6/1/75) |

| | FIXED INTEREST | Monday Aug. 4 Index No. | Yield % | Friday Aug. 1 | Thurs. July 31 | Wed. July 30 | Tues. July 29 | Monday July 28 | Friday July 25 | Thurs. July 24 | Year ago (approx.) | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Consols 2½% yield | — | 13.85 | 13.93 | 14.02 | 13.92 | 13.82 | 13.72 | 13.89 | 13.99 | 15.23 | — | — | — | — |
| 2 | 20-yr. Govt. Stocks (6) | 50.89 | ‡12.81 | 50.51 | 50.08 | 50.39 | 50.85 | 51.18 | 50.39 | 50.04 | 47.80 | 53.09 (20/5) | 38.27 (3/1) | 115.42 (11/3/63) | 38.27 (3/1/75) |
| 3 | 20-yr. Red. Deb. & Loans (15) | 47.98 | ‡15.37 | 47.64 | 47.64 | 47.83 | 47.77 | 47.91 | 48.01 | 48.10 | 44.15 | 50.68 (21/5) | 37.01 (3/1) | 113.43 (25/10/63) | 37.01 (3/1/75) |
| 4 | Investment Trusts Prefs. (15) | 46.55 | 14.86 | 46.85 | 46.99 | 47.18 | 47.30 | 46.60 | 46.99 | 46.51 | 41.30 | 47.30 (29/7) | 35.35 (3/1) | 114.41 (13/9/63) | 34.45 (4/12/74) |
| 5 | Coml. and Indl. Prefs. (20) | 67.70 | 13.89 | 67.71 | 68.02 | 67.79 | 67.67 | 66.92 | 66.62 | 66.68 | 56.66 | 68.02 (31/7) | 48.35 (3/1) | 114.95 (7/10/63) | 47.67 (6/1/75) |

| Section or Group | Base Date | Base Value | Section or Group | Base Date | Base Value |
|---|---|---|---|---|---|
| Overseas Traders | 31/12/74 | 100.00 | Miscellaneous Financial | 31/12/70 | 128.06 |
| Engineering (Heavy) | 31/12/71 | 153.84 | Food Manufacturing | 29/12/67 | 114.13 |
| Engineering (General) | 31/12/71 | 153.84 | Food Retailing | 29/12/67 | 114.13 |
| Wines and Spirits | 16/1/70 | 144.76 | Insurance Brokers | 29/12/67 | 96.67 |
| Toys and Games | 16/1/70 | 135.72 | Mining Finance | 29/12/67 | 100.00 |
| Office Equipment | 16/1/70 | 162.74 | All Other | 10/4/62 | 100.00 |
| Industrial Group | 31/12/70 | 128.20 | | | |

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 18p. Commonwealth 18p. Foreign 22p.

## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1975 high | 1975 low |
|---|---|---|---|---|---|---|
| ICI | £1 | 12 | 245 | −1 | 302 | 118 |
| BP | £1 | 9 | 463 | −2 | 555 | 190 |
| "Bats" | 25p | 7 | 275 | −8 | 338 | 164 |
| Central Manuf. | 10p | 7 | 67½ | +1½ | 70 | 20 |
| GUS 'A' | 25p | 7 | 148 | −1 | 226 | 86 |
| Westl'd Air. 'New' | Nil/pd. | 7 | 3½* | — | 4* | 1* |
| Distillers | 50p | 6 | 106 | −1 | 150 | 65½ |
| Natl. Westminster | £1 | 6 | 178 | — | 275 | 88 |
| Reed Intl. | £1 | 6 | 186 | +2 | 297 | 124 |
| Shell Transport | 25p | 6 | 283 | +1 | 343 | 118 |
| Courtaulds | 25p | 5 | 111 | +1 | 140 | 53 |
| Furness Withy | £1 | 5 | 227 | −5 | 257 | 111 |
| GEC | 25p | 5 | 112 | −1 | 133 | 51 |
| Glaxo | 50p | 5 | 338 | — | 427 | 198 |
| Beecham | 25p | 4 | 266 | +1 | 310 | 116 |

*The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).*
* Premium.

## Option Report—3-month Call rates

**OPTION DEALING DATES**

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| July 22 | Aug. 4 | Oct. 16 | Oct. 28 |
| Aug. 5 | Aug. 18 | Oct. 30 | Nov. 11 |
| Aug. 19 | Sep. 1 | Nov. 11 | Nov. 25 |

"Calls" were arranged in Capital and Counties, Lonrho, Swan Hunter, Charterhall, National Westminster Bank warrants and Siebens Oil and Gas. MEPC were dealt in for the "put," while double options were transacted in Siebens Oil and Gas, National Westminster Bank warrants and Barclays Bank.

| Industrials | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Grand Met. | 9 | Slater Walker | 16 | | |
| | | G.U.S. 'A' | 20 | Spillers | 7 | Mines | |
| A. P. Cement | 20 | Guardian | 20 | Tesco | 6 | Anglo Amer | 50 |
| Assoc. Leisure | 3 | G.K.N. | 28 | Thorn "A" | 20 | Broken Hill Prp | 75 |
| Barclays Bank | 35 | Hawker Sidd | 30 | Tube Invest | 30 | Charter Cons. | 22 |
| Beecham | 28 | House of Fraser | 10 | Unilever | 40 | Chart'h'll Fin. | 8 |
| Boots Drug | 24 | Hudson (Wlms) | 5 | Utd. Drapery | 12 | Cons Gold | 25 |
| Bowaters | 20 | I.C.I. | 24 | Vickers | 16 | De Beers Def. | 25 |
| B.A.T. | 35 | "Imps" | 7 | Woolworths | 6 | F. S. Geduld | 350 |
| British Leyland | 1¼ | I.C.L. | 7 | | | Great Boulder | 12 |
| British Oxygen | 6 | Inveresk | 10 | Property | | Hampton Areas | 15 |
| Burton 'A' | 9 | Legal & General | 17 | Cap. Counties | 7 | Hampton Prop. | 4 |
| Cadburys | 6 | Lloyds Bank | 30 | E.P. | 11 | Kloof | 140 |
| Courtaulds | 14 | "Lofs" | 7 | Int. Europe | 7 | Lonrho | 13 |
| Debenhams | 11 | "Mams" | 9 | Land Securities | 22 | Loraine | 55 |
| Distillers | 15 | Marks & Sp'ncer | 13 | Peachey | 7 | Metals Explor. | 8 |
| Dunlop | 6 | Midland Bank | 32 | Town & City | 6 | Poseidon | 65 |
| Eagle Star | 16 | Nat'l West Bank | 30 | Town & Comm. | 7 | Pres. Steyn | 275 |
| E.M.I. | 20 | P & O Dfd. | 16 | | | Rio T. Zinc | 20 |
| First National | 3 | Plessey | 10 | Oils | | Welkom | 55 |
| G.R.A. Trust | 7 | R.H.M. | 7 | Brit. Petroleum | 46 | West Areas | 75 |
| Gen. Accident | 16 | Rank Org. 'A' | 25 | Burmah Oil | 6 | Western M'ng | 15 |
| Gen. Electric | 14 | Reed Int'l | 28 | Shell | 30 | Zambia Copp. | 10 |
| Glaxo | 40 | | | Ultramar | 21 | | |

## NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

**NEW HIGHS (13)**

BRITISH FUNDS (4)
Treas. 9% '92-96 Treas. 13¼% 1997
Redmtn. 3% '86-96 Treas. 8% 2002-06

FOREIGN BONDS (1)
Peru Assented 3%

AMERICANS (1)
Vetco Inds.

ELECTRICALS (2)
Cohen Bros. Sangamo Weston

INDUSTRIALS (2)
Rennies Cons. Silentbloc

PROPERTY (1)
Churchbury Estates

TEAS AFRICAN (1)
Peacock Sasini

MINES (1)
Tongkah Harbour

**NEW LOWS (7)**

STORES (1)
Maple Macowards

ENGINEERING (2)
Birmingham Pallet Manganese Bronze

TEXTILES (1)
Sidlaw Inds.

TRUSTS (2)
Thanet Inv. Lampa Secs.

MINES (1)
Hartebeest

## RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | 37 | 2 | 14 |
| Corpns. Dominion and Foreign Bonds | 27 | 8 | 36 |
| Industrials | 184 | 285 | 1,287 |
| Financial and Prop. | 49 | 151 | 408 |
| Oils | 4 | 6 | 22 |
| Plantations | 3 | 2 | 43 |
| Mines | 19 | 33 | 101 |
| Recent Issues | 14 | 7 | 53 |
| Totals | 337 | 494 | 1,964 |

## BASE LENDING RATES

| | |
|---|---|
| AFI International | 9½% |
| Allied Irish Banks Ltd | 9½% |
| Anglo-Portuguese Bank | 10 % |
| Henry Ansbacher | 10½% |
| Banco de Bilbao | 9½% |
| Banco de Jerez | 10½% |
| Bank of Cyprus | ‡10 % |
| Banque du Rhone S.A. | 10 % |
| Barclays Bank | 9½% |
| Barnett, Christie Ltd. | 11 % |
| Bremar Holdings Ltd. | 10½% |
| Brit. Bank of Mid. East | 9½% |
| ■ Brown Shipley | 10 % |
| Cayzer, Bowater Co. Ltd. | 10½% |
| Cedar Holdings | 10 % |
| ■ Charterhouse Japhet | 10 % |
| C. E. Coates | 10½% |
| Consolidated Credits | 12 % |
| Continental Trade Bk. | 9½% |
| Co-operative Bank | *9½% |
| Copleys Bank | 11½% |
| Corinthian Securities | 9½% |
| Credit Lyonnais | 9½% |
| G. R. Dawes | 10½% |
| Duboff Brothers | 11½% |
| Duncan Lawrie | 10½% |
| English Transcont. | 11½% |
| First London Secs. | 9½% |
| ■ Antony Gibbs | 10 % |
| Goode Durrant Trust | 10 % |
| Greyhound Guaranty | 9½% |
| Grindlays Bank | 10 % |
| ■ Guinness Mahon | 9½% |
| ■ Hambros Bank | 9½% |
| Hawtin & Partners | 13 % |
| ■ Hill Samuel | §10 % |
| C. Hoare & Co. | †9½% |
| Julian S. Hodge | 10½% |
| Industrial Bank of Scot. | 9½% |
| Jacobs, Kroll | 11½% |
| Keyser Ullmann | 10½% |
| Knowsley & Co. Ltd. | 11½% |
| Lloyds Bank | 9½% |
| London & European | 11½% |
| London Mercantile | 11½% |
| Midland Bank | 9½% |
| ■ Samuel Montagu | 9½% |
| ■ Morgan Grenfell | 9½% |
| National Westminster | 9½% |
| Northern Comm. Trust | 10½% |
| Norwich General Trust | 10 % |
| Portman Guaranty | 11 % |
| P. S. Refson & Co. | 9½% |
| Rossminster Accept'ces. | 9½% |
| Royal Trust of Canada | 10½% |
| Schlesinger Limited | 10½% |
| E. S. Schwab | 11½% |
| Security Trust Co. Ltd. | 11 % |
| Shenley Trust | 11½% |
| Standard & Chartered | 9½% |
| Sterling Credit | 12 % |
| Thames Guaranty | 11 % |
| Trade Development Bk. | 9½% |
| Twentieth Century Bk | 11½% |
| United Bank of Kuwait | 9½% |
| Wallace Brothers Bank | 10½% |
| Whiteaway Laidlaw | 10 % |
| Williams and Glyn's | 9½% |
| Yorkshire Bank | 9½% |

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

**I.G. INDEX**
**GOLD 166½-169½**

**CORAL INDEX**
**Close 277-282**

## INSURANCE BASE RATES

| | |
|---|---|
| † Atlantic Assurance | 11½% |
| Cannon Assurance | 8½% |

† Address shown under Insurance and Property Bond table.

## MONEY MARKET

# Moderate help

**Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)**

Credit was in fairly short supply in the London money market yesterday and the authorities gave a moderate amount of assistance by buying Treasury bills and Corporation bills from the Discount Houses. Bank balances brought forward from the previous day was the only factor working in the market's favour. Against the market were: a net market take-up of Treasury bills, an excess of revenue transfers to the Exchequer over Government disbursements, an increase in the note circulation and Commercial bill maturities.

Discount houses paid up to 10½ per cent. for secured call loans in the early part. Some funds may have been found at 9½ per cent. but by the close rates were in the region of 10-10½ per cent.

In the inter-bank market overnight loans opened at 10-10½ per cent. but by the close were in the region of 10½-10¾ per cent. Short-term interest rates were generally easier, with the one-month Sterling certificate yield slipping to 10¼-10⅛ per cent. from 10⅜-10¼ per cent., the two-month 10⁷⁄₁₆-10¼ per cent. from 10½-10⅜ per cent., the three-month to 10½-10⅜ per cent. from 10⅝-10⁷⁄₁₆ per cent., and the one year 11⅛-10¹³⁄₁₆ per cent. against 11⅛-10¹⁵⁄₁₆ per cent.

Rates in the table below are nominal in some cases.

| Aug 4 1975 | Sterling Certificates of deposits | Interbank | Local Authority deposits* | Local Auth. negotiable bonds | Finance house deposits | Company deposits | Discount market deposits | Treasury bills Φ | Bank bills Φ | Fine trade bills Φ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 10-10¾ | — | — | — | 10-10⅛ | 9½-10¼ | — | — | — |
| 2 days notice | — | — | 10-10⅛ | — | — | — | — | — | — | — |
| † 7 days or 7 days notice | — | 10-10¼ | 10⅛-10¼ | — | — | — | 10-10½ | — | — | — |
| One month | 10¼-10⅛ | 10¼-10⅞ | 10¼-10⅜ | 10⅝-10¼ | 11-11⅛ | — | 9⅝-10 | 10¼ | 10⅜ | 10⅞ |
| Two months | 10⁷⁄₁₆-10¼ | 10¼-10½ | — | 10¾-10¼ | 11-11⅛ | — | 9¾-10 | 10⅞ | 10⅝ | 10⅞ |
| Three months | 10½-10⅝ | 10⅝-10¾ | 10⅛-10⅝ | 10¾-10¼ | 11-11⅛ | — | 9⅞-10 | 10⅝ | 10⅝-10⅞ | 10⅞ |
| Six months | 10⅞-10¾ | 10¾-10⅞ | 10¾-10⅞ | 10¾-10¼ | 11¼-11⅛ | — | — | — | 10¾ | 11 |
| Nine months | 11-10¾ | 10⅞-11 | — | 11⅛-10¾ | — | — | — | — | — | — |
| One year | 11⅛-10¾ | 10⅞-11 | 11⅛-11¼ | 11⅛-11 | — | — | — | — | — | — |
| Two years | — | 11¼-11⅜ | 12⅝ | — | — | — | — | — | — | — |

† Local authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13-13¼ per cent.; four years 13½-14 per cent.; five years 14-14½ per cent. Φ Bank bill rates in table are buying rate for prime paper; buying rates four-month bank bills 10¾ per cent.; and four-month trade bills 11 per cent. Approximate selling rates for one-month Treasury bills 10 per cent.; two-month 10¹⁄₁₆ per cent.; three-month 10¼ per cent. Approximate selling rates for one-month bank bills 10½-10⁵⁄₁₆ per cent.; two-month 10½ per cent.; and three month 10½-10⁵⁄₁₆ per cent.; for one-month trade bills 10⁵⁄₁₆ per cent.; two-month 10¾ per cent.; and three-month 10¹⁵⁄₁₆ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from August 1 (10½ per cent. since May 1). Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Banks Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 10.4272 per cent.

هكذا من الأصل

# AUTHORISED UNIT TRUSTS

### Abacus Arbuthnot Ltd.♥ (a)(g)
62, Fountain St., M/C. 061-236 9775/6

| | | | | |
|---|---|---|---|---|
| Giants | 23.6 | 25.6 | —— | 4.50 |
| ♦Giants Accum. | 29.1 | 31.0 | —— | 4.00 |
| Growth Units | 23.0 | 24.8 | —— | 4.00 |
| ♦Growth Accum. | 25.3 | 27.1 | —— | 4.00 |
| Income Units | 25.6 | 27.2 | —— | 8.20 |
| ♦Income Acc. Uts | 29.0 | 31.2 | —— | 8.20 |
| ♦East. & Intl. Acc | 18.0 | 19.0 | —— | 2.70 |

### Abbey Unit Tst. Mgrs. Ltd.♥(a)(g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

| | | | | |
|---|---|---|---|---|
| Abbey Capital | 17.7 | 18.8 | —— | 4.94 |
| Abbey Income | 20.3 | 21.5 | —— | 6.66 |
| Abbey Inv. Tst. Fd. | 22.9 | 24.3 | −0.3 | 4.19 |
| Abbey Gen. Tst. | 27.7 | 29.4 | +0.1 | 4.78 |

### Allied Hambro Group ♥(a)(g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Billericay (02774) 58109

| | | | | |
|---|---|---|---|---|
| Allied 1st | 43.5 | 46.3 | —— | 5.77 |
| Brit. Ind. 2nd | 41.6 | 44.5 | +0.1 | 6.74 |
| Growth & Inc. Tst. | 23.0 | 24.6 | —— | 6.41 |
| Elect. & Ind. Dev. | 19.8 | 21.3 | +0.1 | 6.68 |
| Met. Min. & C'dty. | 33.4 | 35.7 | —— | 5.86 |
| Allied Capital Tst. | 44.5 | 47.6 | —— | 6.17 |
| High Income | 38.3 | 41.0 | —— | 7.33 |
| Equity Income | 22.5 | 24.1 | —— | 8.29 |
| International | 21.3 | 22.8 | —— | 2.28 |
| High Yield Fund | 34.8 | 35.4 | +0.1 | 11.12 |
| H. Fund | 64.4 | 69.9 | —— | 6.36 |
| H. Income Fund | 31.5 | 33.7 | —— | 8.49 |
| H. Recovery | 66.4 | 71.0 | −0.1 | 5.20 |
| H. Smaller Co's | 14.1 | 15.1 | −0.1 | 8.38 |
| 2nd Smaller Co's | 18.3 | 19.6 | −0.1 | 8.51 |
| H. Accum. Fund | 17.6 | 18.8 | —— | 5.59 |
| Secs. of America | 40.4 | 43.2 | −0.2 | 3.15 |
| H. Exempt Aug. 1 | 118.9 | 118.5 | —— | 6.82 |

### Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
24, St. Mary Axe, E.C.3. 01-283 4141

| | | | | |
|---|---|---|---|---|
| Archway Cap. Fund | 92.4 | 97.1 | —— | 4.71 |
| Archway Inc. Fd. | 117.3 | 124.8 | —— | 6.39 |

*Prices at July 16. Next sub. day Aug. 20.

### Barclays Unicorn Ltd.♥ (a)(g)
Unicorn Hse., 252 Romford Rd., E7 01-534 5544
36, Castle St., Edinburgh, EH2 031-226 5013

| | | | | |
|---|---|---|---|---|
| Unicorn America | 28.1 | 30.0 | −0.2 | 2.38 |
| Do. Aust. Acc. | 54.5 | 58.9 | +0.1 | 2.70 |
| Do. Aust. Inc. | 45.0 | 48.6 | −0.1 | 2.70 |

### Brown Shipley & Co. Ltd.♥ (x)(c)
Brown Shipley & Co. Ltd. (x) (c)

| | | | | |
|---|---|---|---|---|
| Brown Shipley | 133.8 | 138.8 | −5.2 | 7.18 |
| Accum. Units | 154.9 | 159.8 | −3.1 | 7.18 |

*Prices on Aug. 5. Next sub. day Aug. 12

### Canada Life Unit Tst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122

| | | | | |
|---|---|---|---|---|
| Can. Life Gen. Dist. | 23.2 | 24.4 | —— | 5.06 |
| Do. Gen. Accum. | 26.2 | 27.5 | —— | 5.06 |
| Do. Inc. Dist. | 22.6 | 23.8 | —— | 9.11 |
| Do. Inc. Accum. | 25.1 | 26.5 | —— | 9.11 |

### Capel (James) Mngt. Ltd.♥
100, Old Broad St., EC2N 1BQ. 01-588 6010.

| | | | | |
|---|---|---|---|---|
| Capital | 50.0 | 50.0 | —— | 4.75 |
| Income | 50.0 | 50.0 | —— | 4.00 |

### Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)
Milburn Hse., Newcastle-upon-Tyne 21165

| | | | | |
|---|---|---|---|---|
| Carliol | 51.7 | 54.2 | —— | 3.91 |
| Do. Accum. Units | 56.7 | 59.7 | —— | 3.91 |
| Do. High Yield | 23.4 | 25.4 | —— | 10.60 |

Next dealing day August 13.

### Charterhouse Japhet♥
1, Paternoster Row, EC4. 01-248 3999

| | | | | |
|---|---|---|---|---|
| C.J. Internat'l | 18.8 | 20.0 | —— | 2.42 |
| Accum. Units | 20.6 | 22.0 | —— | 2.42 |
| C.J. Income | 25.0 | 26.6 | —— | 9.36 |
| C.J. Euro. Fin. | 24.4 | 26.0 | —— | 2.45 |
| Accum. Units | 26.0 | 27.8 | —— | 2.45 |
| C.J. Fd. Inv. Tst. | 21.4 | 22.8 | —— | 3.81 |
| Accum. Units | 22.6 | 24.2 | —— | 3.81 |

*Prices on July 30. Next dealing Aug. 6

### Confederation Funds Mgt. Ltd.♥ (a)
130 Regent St., W1R 6AY. 01-437 9040

| | | | | |
|---|---|---|---|---|
| Growth Fund | 21.1 | 22.2 | —— | 6.37 |

### Cosmopolitan Fund Managers.
47/57 Gresham St., EC2V 7EP. 01-600 4747/8

| | | | | |
|---|---|---|---|---|
| Cosmopoln. Gth. Fd | 14.7 | 15.8 | +0.2 | 4.20 |

### Coyne Investment Mgmt. Ltd.
72-80, Gatehouse Rd., Aylesbury. 0296 5941

| | | | | |
|---|---|---|---|---|
| Coyne Growth | 19.8 | 20.8 | +0.2 | 6.05 |

### The Crescent Group♥ (a)(g)
Crescent Unit Tst. Mgrs. Ltd.
4, Melville Cres., Edinburgh 3. 031-226 4931
81, Fountain St., Manchester. 061-236 5685

| | | | | |
|---|---|---|---|---|
| Crescent Growth | 15.7 | 16.6 | −0.1 | 5.75 |

| | | | | |
|---|---|---|---|---|
| BT Capital Inc. | 23.4 | 25.0 | —— | 2.62 |
| BT Capital Acc. | 23.6 | 25.2 | —— | 2.63 |
| BT Exempt | 73.0 | 78.0 | —— | 6.86 |
| BT Intl. Inc. | 12.1 | 12.9 | —— | 5.08 |
| ♦BT Inter'l Acc. | 12.2 | 13.0 | —— | 5.08 |

Prices on July 29. Next sub. day Aug. 5

### The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

| | | | | |
|---|---|---|---|---|
| BL British Life | 33.9 | 35.3 | +0.1 | 6.23 |
| BL Balanced* | 26.7 | 28.2 | —— | 6.78 |
| BL Capital* | 27.5 | 29.1 | —— | 4.66 |
| BL Dividend* | 24.5 | 26.0 | —— | 9.38 |

*Prices on July 30. Next dealing Aug. 6

| | | | | |
|---|---|---|---|---|
| G.T. U.S. & Gen. | 133.6 | 142.1 | —— | 1.80 |
| G.T. Japan & Gen. | 140.6 | 149.5 | —— | 1.00 |
| ♦Gt. Pens. Ex. Fd. | 92.5 | 97.1 | —— | 3.00 |

### G. & A. Un. Tst. Mgrs. Ltd.(a)(g)
5, Rayleigh Rd., Brentwood. (0277) 227300

| | | | | |
|---|---|---|---|---|
| G. & A. | 19.9 | 21.3 | —— | 6.14 |

### Gartmore Fund Managers♥
2, St. Mary Axe, EC3A 8BP. 01-283 3531

| | | | | |
|---|---|---|---|---|
| British Trust | 28.6 | 30.8 | —— | 4.63 |
| High Income Tst. | 26.6 | 28.6 | +0.1 | 12.97 |
| (z)Overseas Tst. | 23.2 | 25.0 | —— | 1.71 |

## REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Albany Inv. 20p | 14 | ..... | Craig Ship. £1 | 400 | ..... | Shiloh Spinn. | 23 | ..... |
| Ash Spinning | 36 | ..... | Hallam Sleigh 10p | 6½ | ..... | Sindall (Wm.) | 43 | ..... |
| Bertam | 18 | ..... | Higsons Brew. | 83 | ..... | | | |
| Brady (G.) "A" | 44 | −1 | I.O.M. Stm. £1 | 120 | ..... | IRISH | | |
| Bdg'wtr. Est. 50p | 105 | ..... | Holt (Jos.) 25p | 185 | ..... | | | |
| Clover Croft | 35 | ..... | Kleen-e-Ze | 24 | ..... | Alliance Gas (£1) | 45 | ..... |
| Craig & Rose £1 | 310 | ..... | Lovell's Ship £1 | 130 | ..... | Carroll (P. J.) | 108 | ..... |
| Dyson (R.A.) | 30 | ..... | N'thn. Goldsmith | 98 | ..... | Clondalkin | 52 | ..... |
| Ellis & McHdy. | 58 | ..... | P.M.A. | 36 | ..... | Concrete Prods. | 60 | ..... |
| Evans F'r'k. 10p. | 36 | ..... | Pearce (C. H.) | 60 | ..... | Goodbody (£1) | 38 | ..... |
| Evered | 12 | ..... | Peel Mills | 16 | ..... | Helton (Hldgs.) | 30 | ..... |
| Fife Forge | 47 | ..... | Richards 10p | 8 | +½ | Irish Distillers | 60 | ..... |
| Finlay Pkg. 5p. | 16 | ..... | RobbCaledon5p. | 28 | ..... | Irish Wire | 40 | ..... |
| Frost & Reed 50p | 85 | ..... | Sayers 12½p | 6 | ..... | Jacob | 45 | ..... |
| Gardiner & Sons | 11 | ..... | Sheffield Brick | 60 | ..... | Sunbeam | 8 | ..... |
| Gardner (L.) | 62 | ..... | Sheff. Refrshmt. | 141 | −1 | Unidare | 65 | ..... |





# INSURANCE, PROPERTY, BONDS

# OFFSHORE AND OVERSEAS FUNDS

| | | | | |
|---|---|---|---|---|
| International Fnd. | 28.8 | 30.4 | ..... | 6.00 |

8, Church St., St. Helier, Jersey. 0534 35511
*As at Aug. 1. Next sub. day Aug. 8

### Tyndall Group♦ 0272 32241
Hamilton, Bermuda, & St. Helier, Jersey.

| | | | | |
|---|---|---|---|---|
| O'seas Dis. July 30 | US$1.11 | 1.18 | ..... | 6.00 |
| O'seas Acc. July 30 | US$1.47 | 1.56 | ..... | 6.00 |
| O(Stg) Dist July 30 | £6.75 | 7.15 | ..... | 6.00 |
| O(Stg) Acc. July 30 | £8.95 | 9.45 | ..... | 6.00 |
| 3-Way Int. July 24 | US$2.32 | | ..... | — |
| Int. Man. Fd. Jn. 27 | 91.2 | 95.8 | ..... | — |

### United States Tst. Intl. Adv. Co.
14, Rue Aldringer, Luxembourg.

| | | | |
|---|---|---|---|
| U.S. Tst. Inv. Fnd. | US$11.96 | −0.15 | 0.99 |

Net asset value Aug. 1

### S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

| | | | | |
|---|---|---|---|---|
| CMT Ltd. July 31 | £10.58 | 10.65 | −0.03 | — |
| Conv. Bond Aug. 1 | US$8.29 | | 0.01 | — |
| Energy Ln. Aug. 1 | US$12.38 | | −0.05 | — |
| Grsh. St. $Fd. Jly31 | US$6.83 | | ..... | — |
| TMT Ltd. July 10 | £11.74 | 12.05 | ..... | — |

### World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

| | | | |
|---|---|---|---|
| World Wide Gth. Fd | US$11.64 | −0.04 | — |

## NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. ‡ Suspended. ☆ Single premium insurance bonds.

# FT SHARE INFORMATION SERVICE

## ††BANKS AND HIRE PURCHASE

| 1975 High | 1975 Low | Stock | Price | + or − | Div Net | Cvr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 22 | 12 | AldermnSec.10p.. | 17 | ...... | 1.34 | 2.1 | 12.1 | 5.4 |
| 235 | 135 | Alexanders D. £1. | 183 | ...... | g11.66 | — | 9.8 | — |
| £114 | £67 | Algemene Fl 100. | £90 | +1 | Qh20% | 1.8 | 3.8 | 19.6 |
| 400 | 190 | Allen Harvey £1 | 300 | ...... | 13.5 | — | 6.9 | — |
| 142 | 45 | Allied Irish | 110 | −2 | Q25% | — | 5.7 | — |
| 62 | 14 | Anglo Contal | 54 | ...... | — | — | — | — |
| 185 | 95 | Arbuthnot L. £1 | 160 | ...... | 7.61 | — | 7.6 | — |
| 430 | 170 | Aust. & N.Z. £1 | 347 | ...... | †9.09 | — | 4.0 | — |
| £57 | £21¼ | BankAmer $1.125 | £30 | ...... | Q$1.48 | — | 2.1 | — |
| 40 | 22½ | Bk. Hapoalim IL1 | 40 | ...... | Qd9.4% | — | 1.7 | — |
| 346½ | 120 | Bk. Ireland £1 | 300 | −5 | Qh16% | — | 5.3 | — |
| £150 | £66 | Do. 10pc Cv.91/96. | £132 | ...... | Q10% | — | 17.9 | — |
| 23 | 18½ | Bk. Leumi AI£1 | 22 | ...... | Q16% | — | 5.3 | — |
| 230 | 180 | Bk Leumi (UK)£1 | 220 | ...... | 7.25 | — | 5.1 | — |
| 720 | 370 | Bk. N.S.W. $A2 | 555 | ...... | Q28c | — | 2.9 | — |
| 295 | 104 | Bank Scotland £1. | 218 | ...... | 8.31 | 3.8 | 5.9 | 6.9 |
| £71¼ | £20⅝ | Bankers N.Y.$10. | £27 | +1 | Q$3.00 | — | 3.8 | — |
| 325 | 112 | Barclays £1 | 235 | ...... | †8.29 | 4.7 | 5.5 | 5.6 |
| 73 | 19 | Bates (Edward) | 48 | ...... | ‡5.0 | 2.1 | ‡ | 4.5 |
| 68 | 18 | Bowring (C. T.) | 50 | ...... | 2.11 | 1.2 | 6.5 | 19.3 |
| £173 | 75 | Brown Shipley £1 | £173 | ...... | 6.94 | — | 0.7 | — |
| 24 | 14 | Burston Group | 18# | ...... | 3.31 | 2.4 | 28.3 | 2.2 |
| 265 | 110 | Cater Ryder £1 | 215 | ...... | 14.40 | — | 10.3 | — |
| 13 | 13 | Cedar Hldgs. 20p. | 13# | ...... | ‡1.4 | 1.5 | ‡ | 6.1 |
| 285 | 149 | Com'l Aus. ($A1) | 200 | −5 | Q14% | — | 4.0 | — |
| £14⅞ | £10⅝ | Com'zbk DM10 | £12 | −⅛ | Q17% | — | 2.5 | — |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Hire Purchase, etc.

[illegible]

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

## INTERNATIONAL BANK

[illegible]

## CORPORATION LOANS

[illegible]

## COMMONWEALTH & AFRICAN LOANS

[illegible]

## LOANS (Miscel.)

[illegible]

## FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

## AMERICANS

[illegible]

S.E. List Premium 55⅛% (based on $2.1400 per £)

## CANADIANS

[illegible]

S.E. List Premium 55⅛% (based on $2.2073 per £)

Conversion factor 0.6436 (0.6490)

## BEERS, WINES AND SPIRITS

[illegible]

## BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

## BUILDING INDUSTRY—Continued

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## CINEMAS, THEATRES AND TV

[illegible]

## DRAPERY AND STORES

[illegible]

## DRAPERY AND STORES—Continued

[illegible]

## ELECTRICAL AND RADIO

[illegible]

## ENGINEERING, MACHINE TOOLS

[illegible]

## ENGINEERING—Cont.

[illegible]

## FOOD, GROCERIES, ETC.

[illegible]

## HOTELS & CATERERS

[illegible]

## HOTELS—Continued

[illegible]

## INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

## INDUSTRIALS—Continued

[illegible]

## INSURANCE

[illegible]

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

[illegible]

### Commercial Vehicles

[illegible]

### Components

[illegible]

### Garages and Distributors

[illegible]

## NEWSPAPERS, PUBLISHERS

[illegible]

## PAPER, PRINTING, ADVERTISING

[illegible]

## PROPERTY

[illegible]

## PROPERTY—Continued

[illegible]

## SHIPBUILDERS, REPAIRERS

[illegible]

## SHIPPING

[illegible]

## SHOES AND LEATHER

[illegible]

## SOUTH AFRICANS

[illegible]

## TEXTILES

[illegible]

## TOBACCOS

[illegible]

## TRUSTS, FINANCE, LAND

### Investment Trusts

[illegible]

## TRUSTS—Continued

[illegible]

### Finance, Land, Etc.

[illegible]

## OILS

[illegible]

## OVERSEAS TRADERS

[illegible]

## RUBBERS AND SISALS

[illegible]

## TEAS

### India and Bangladesh

[illegible]

### Sri Lanka

[illegible]

### Africa

[illegible]

## MINES

### CENTRAL RAND

| 1975 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| £14¼ | 780 | Durban Deep R1 | £10¾ | +½ | ‡Q110c | ϕ | ‡ |
| £14 | 860 | E. Rand Prp. R1 | £10⅛ | +⅛ | ‡Q115c | ϕ | ‡ |
| 105 | 55 | Rand Leases 2½c | 60 | ...... | — | — | — |
| £34½ | £22 | Randf'tn Est. R2 | £27 | ...... | — | — | — |
| 500 | 260 | West Rand R1 | 315 | −5 | ‡Q40c | 1.3 | ‡ |

### EASTERN RAND

| 1975 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 370 | 235 | Bracken R1 | 292 | −6 | †Q57c | 1.1 | 11.0 |
| 23 | 13 | Daggafontein 50c | 16 | −1 | — | — | — |
| 105 | 60 | East Dag R1 | 67 | −1 | ‡Q25c | ϕ | ‡ |
| 140 | 140 | Gvnl. Areas 5c | 140ø | ...... | — | — | — |
| 380 | 210 | Grootvlei 30c | 250 | −5 | ‡Q32c | 1.1 | ‡ |
| 820 | 410 | Kinross R1 | 700 | ...... | †Q50c | 1.5 | 4.5 |
| 198 | 107 | Leslie 65c | 123 | ...... | †Q22c | 1.6 | 11.2 |
| 550 | 310 | Marievale 70c | 355 | ...... | ‡Q84c | 1.1 | ‡ |
| 725 | 380 | S. African Ld. 35c | 500 | ...... | ‡Q65c | 1.2 | ‡ |
| 265 | 165 | Vlakfontein R1 | 105 | −5 | Q35c | 1.3 | 12.2 |
| £13¾ | 840 | Winkelhaak R1 | £10¾ | ...... | †Q94c | 1.2 | 2.8 |
| 120 | 65 | Wit. Nigel 25c | 87 | −2 | Q1c | 10.9 | 0.7 |

### FAR WEST RAND

[illegible]

### O.F.S.

[illegible]

### FINANCE

[illegible]

### DIAMOND AND PLATINUM

[illegible]

### CENTRAL AFRICAN

[illegible]

### AUSTRALIAN

[illegible]

### TINS

[illegible]

### COPPER

[illegible]

### MISCELLANEOUS

| 1975 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 53½ | 29½ | Laurasia | 39 | −2 | — | — | — |
| 19 | 11 | NRD $1 | 12 | +1 | — | — | — |
| 375 | 200 | Northgate C$1 | 275 | −3 | Q65c | 1.0 | 10.2 |
| 211 | 80 | R.T.Z. | 170 | +2 | 19.9 | 4.4 | 4.5 |
| 135 | 47½ | Sabina Inds. C$1 | 75 | ...... | — | — | — |
| 81 | 51 | Stanford Mines ‖ | 65 | ...... | — | — | — |
| £12½ | 875 | Tara Expln. $1 | £13¼ | ...... | — | — | — |
| 78 | 38 | Yukon Cons C$1 | 67 | ...... | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 15

FINANCIAL TIMES

Tuesday August 5 1975



# NVT unions spurn closure

BY TERRY DODSWORTH and CHRISTIAN TYLER

UNION REPRESENTATIVES from motor-cycle manufacturers Norton Villiers Triumph last night rejected the management's plans to close the Wolverhampton factory and operate at only one site in future, at Small Heath in Birmingham.

They were warned that they might be risking the future of the whole company. But they still got a "good luck" message from its chairman, Mr. Dennis Poore, in their bid to get the Government to change its mind and give financial aid to NVT.

After three and a-half hours of talks between shop stewards and management, Mr. Poore said that a sit-in at Wolverhampton was "extremely likely."

He went on: "What worries me is that we will end up with a no-site plan instead of a one-site plan.

"I have tried to impress on the stewards that they are running a very real risk, but they want to try to get the Government to change its mind—so jolly good luck to them."


Terry Kirk

Mr. Dennis Poore at his desk in London before he left for Wolverhampton.

Mr. Ray Durman, a shop steward at the Wolverhampton factory, said: "It is intended that Wolverhampton district union officials should seek a meeting with the liquidator when he is appointed."

Yesterday's talks at Kingswinford, Staffs., were between Mr. Poore, Mr. Hugh Palin, a director of the company, and stewards from both the Wolverhampton and Small Heath factories.

The meeting came after Mr. Palin had disclosed that the Wolverhampton factory was "legally insolvent" to the extent of £2m., with debts to components suppliers. The Small Heath factory, he said, was solvent.

After the meeting Mr. Durman added that the stewards had not been told about the Wolverhampton plant's debts. He added that the talks had done nothing to lift the threat to thousands of jobs.

"When the 1,600 workers return from the annual holiday next Monday they will feel very bitter about the situation. If attempts are made to close the Wolverhampton plant, you can be sure the workers will take it over."

This was the second refusal that the delegation met with during the day. Earlier they had been turned down by Mr. Wilson.

Mrs. Renee Short, MP for North-East Wolverhampton and leader of the West Midlands MPs, said: "Mr. Varley refused to meet us. This is a matter of major constituency and regional concern with several thousand jobs threatened. I have never been refused a meeting with a Minister before."

Meanwhile Mr. Eric Varley, Industry Secretary, was at the centre of a Labour Party row last night after refusing to meet a delegation of West Midlands MPs to discuss the NVT situation. The MPs reported Mr. Varley's conduct to the Prime Minister who, it was claimed, promised to have a word with him.

She would support a sit-in at NVT's Wolverhampton factory so long as the workers did nothing against the law.

She would support a sit-in at NVT's Wolverhampton factory so long as the workers did nothing against the law.

Whether a full-scale sit-in will develop as at Meriden two years ago, was still not clear last night. The liquidator called in by NVT has not yet arrived, and the factory's 1,600 men are on holiday until next Monday.

The row over new products between NVT and the Meriden co-operative took a new turn yesterday. The dispute concerns the modified motor cycle the co-operative is now going to produce. NVT, which sells the Meriden machines, says it needs further improvement.

Yesterday Mr. Dennis Johnson, chairman of the co-operative, said that its own tests, at the Motor Industry Research Association, had shown the machine conforming satisfactorily to the necessary American standards. He had not yet received the letter from NVT outlining the problems, and without it could not comment at length.

## U.S. interest

He added, however, that Meriden had been contacted by an American organisation which was interested in marketing the Triumph Bonneville in the U.S., should the deal with NVT fall through. Meriden's contract with NVT, for delivery of up to 24,000 machines a year, runs through to July, 1977.

Mr. Johnson conceded that there might be difficulties over the use of the Triumph name—also used by NVT—if Meriden and NVT failed to reach agreement about the modifications on the new range of machines. But a solution could be found, he said, and the co-operative was, in the meantime, looking at designs for a new generation of motorcycles to take over eventually from the Bonneville.

# U.K. wins Indonesia TV, radio order

BY CHRISTOPHER LORENZ

BRITISH INDUSTRY is set to win at least £13m.-worth of export orders from Indonesia for the supply of television and other broadcasting equipment.

It was revealed yesterday that Pye TVT, a subsidiary of Pye holdings, has been awarded an order worth about £8m. for the construction of colour television stations in ten provincial towns and the modernisation of five monochrome studios. This is the largest single order Pye TVT has ever received, according to the company.

Marconi, part of the GEC group, is understood to be receiving a £5m. contract for the supply of broadcasting transmitters and studio equipment, and other British companies may also win orders.

Pye's contract, worth almost $18m. in dollar terms, was announced in conjunction with a $23m.-plus order to Siemens to build colour TV studios in Djakarta and supply telesonic equipment and other audio-visual aids.

Much of the TV transmission from the new studios will be by Indonesia's ambitious new satellite system. As reported in February, the country is to spend over £330m. on modernising and extending its telecommunications network, about £75m. of it on satellite equipment from companies such as Huges Aircraft and ITT.

One of the major telecommunications orders, worth £54.2m., was awarded to Britain's BICC, with Siemens, Philips and ITT's Belgian telephone subsidiary also winning major orders.

# Talks at Chequers on cuts

By Philip Rawstorne

GOVERNMENT proposals for curbing public expenditure were discussed at a four-hour meeting of Cabinet Ministers at Chequers yesterday.

The meeting, one of a series called by the Prime Minister to review the Government's forward programme, is understood to have been concerned mainly with prospects for the Government's general economic strategy and its pay policy.

Mr. Joel Barnett, Chief Secretary to the Treasury, who is responsible for public expenditure matters, was the only Minister outside the Cabinet who attended.

Mr. Harold Wilson arranged the Chequers gathering 10 days ago, but it had to be deferred because of an overnight sitting of the Commons.

It appears that yesterday was the first opportunity for senior Ministers to consider collectively the medium-term review of public spending plans recently conducted by the Treasury.

As the Chancellor, Mr. Denis Healey, who was also present yesterday, indicated in the Commons economic debate, Treasury proposals contemplate cuts of around £3bn. up to the end of 1978-79 in addition to the £900m. reduction already proposed for next year.

Ministers are believed to have taken no firm decisions on the plans at yesterday's meeting, which was attended by all the members of the Cabinet except Mr. Eric Varley, Industry Secretary.

THE LEX COLUMN

# Tuning in to TV rental

The underwriters were left to pick up £9m. of the Metal Box rights issue yesterday. This is their biggest casualty since British Oxygen flopped a month ago, since when BOC has moved down broadly in line with the market. Of the rights cash due for subscription this week and next some £25m. is looking just a little bit vulnerable, while the rights attached to Scottish and Newcastle's £21m. funding, which closes later this month, are currently worth just ½p.

**Index fell 0.7 to 282.1**

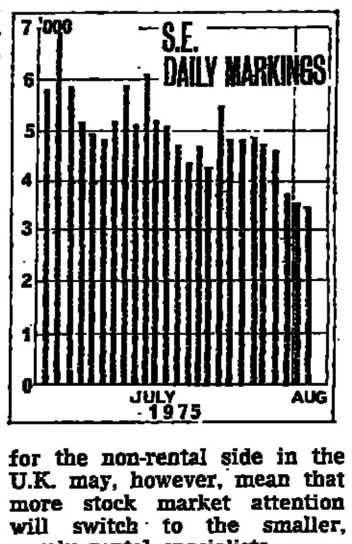
## Thorn

The TV rental sector has been particularly strong against the market over the past two months following its earlier long-standing relative weakness, and to-day's report from Thorn, which has been no exception to the trend, illustrates why. The key, paradoxically, is the slowdown in new set placements—expected to be down by over a quarter this year—which, effectively brings forward profits via a lower depreciation charge. In addition, sector sentiment has been helped recently by the Commons decision that VAT on rental agreements in existence on Budget day should be at 8, not 25 per cent. This will tend to lock in subscribers and thus extend the life of contracts at their most profitable time.

The slowdown also means that the sector is in a phase of substantial cash, rather than debt, generation: Thorn's spending on sets on or for rental dropped from £77m. to £59m. in 1974-75—which is equivalent to a fall from 65 to 52 per cent. of gross cash flow. The further decline in placements this year coupled with the impact of the pre-VAT boom on durable sales generally, has apparently helped to trim the overdraft by about £15m. from the March total of £66m. Total debt then was £99m., compared with shareholders funds of £196m.

Last year, a rising TV rental contribution provided "a useful cushion to profits when an £800,000 drop in consumer electronics profits masked a £7m. downturn in colour TV tubes. In the current year, rental profits should rise further, while there is scope for eliminating £4.8m. of losses on two closed factories. But Thorn is still only talking about holding profits around last year's level of £65.4m. though outside estimates are slightly higher. A lot will depend on the strength of demand this autumn for durables and on the extent of any recovery overseas—which made only £3.8m. pre-interest on sales of £165m. last year, but where the rental businesses are now getting into their stride.

The uncertainties about Thorn's prospects overseas and




for the non-rental side in the U.K. may, however, mean that more stock market attention will switch to the smaller, purely rental specialists.

See also Page 15

## Deutsche Bank

Germany has been the world's outstanding stock market in recent weeks, and Deutsche Bank has been one of its strongest shares. So interim figures which looked distinctly sluggish by the standards of the other two major banks helped to knock the shares DM8.8 lower to DM320.1 yesterday. However, there are two points to make about the disclosed rise in operating profits from DM258.3m. just to DM266.7m.

The first is that the latest figures are simply being compared with half the 1974 total. Since profits were on a rapidly accelerating trend last year, this form of presentation is unflattering. In addition, Deutsche has disclosed only the parent figures: the chunk which it has missed out, representing about a third of total assets, takes in the mortgage banking operations and some of the overseas businesses, which are probably the faster growing sector this year.

Interest margins may slip a shade further over the rest of the year but business volume, which is just 2 per cent. higher to date, may be expected to pick up in the final quarter. Outside projections point to maintained earnings, at least this year after allowing for the massive rights issue, which would leave the p/e in low double figures: the yield is 3½ per cent.

U.K. investors, however, seem to be attracted as much by the group's portfolio investments—notably Daimler Benz—as by its earnings possibilities. The concept of a glorified investment trust seems rather unreal, since it was the banking background which transformed profitability in 1974. All the same, it helps to make the bank one of the most obvious vehicles for participating in the German market.

## Letraset

Letraset ran slap into the world recession around its second quarter and over the latter part of 1974-75 this high-powered selling organisation has had to rein back hard. Group profits are a quarter lower at £2.01m. pre-tax after a six months decline of not quite a fifth. But a "major reduction in our costs base" has been achieved and market shares are being comfortably maintained; and yesterday the shares rose 1p to 31p.

Sales last year rose 28 per cent. but in volume terms they fell 5 per cent. and within that dry transfers—which account for 46 per cent. of total sales—dropped 7 per cent. During the first quarter volume was still rising, and over an eighth of the year's sales total came from acquisitions consolidated for 12 months against six. So underlying demand must have been falling very rapidly over the latter part of 1974-75. Letraset has countered with staff cuts and the group workforce is now a quarter below its October peaks. And volume so far this year has held level with the final quarter of 1974-75.

Other than that, some 54 per cent. of Letraset's business is now spread fairly evenly across five product/trading areas outside dry transfers, and overseas sales have edged up from 80 to 83 per cent. of the group total. Year-end borrowings were roughly £1m. higher at £2.8m. net but that probably represented no more than a third of capital employed—on which the pre-interest returns are still over 40 per cent. The shares yield 6½ per cent. covered 3½ times, and the capitalisation is just £5½m.

See also Page 14

# Metal box rights issue fails

By Nicholas Leslie

METAL BOX Company became the latest victim yesterday of a failed rights issue when it was announced that only 59 per cent. of shares offered by the company to its shareholders to raise £23.3m. had been taken up. The balance of 41 per cent. have been taken up by the underwriters.

The outcome will clearly be seen as a slackening in the appetite for rights issues, of which there has been a spate this year, involving the raising of almost £900m.

On the Stock Exchange, news of the rights issue outcome left Metal Box's share price 2p down at 206p ex the rights.

Metal Box said when announcing the issue in June that it wanted the cash to continue its capital spending programme—

The offer was one new share at 210p for every four shares already owned. But with news at the time also that the company's results in the first two months of this year were below expectations, the company's share price fell 20p to 236p on the day of the rights issue announcement and has continued to fall.

On Friday, the closing price of 208p was below the issue price, the "rights" attaching therefore being valueless.

The Metal Box failure follows the poor experience of BOC International three weeks ago when only 43 per cent. of that company's £23m. rights issue was taken up.

However, BOC's issue was never considered to be very attractive and the reasons for Metal Box being refused by so many of its shareholders are somewhat different. First, it suffered from a somewhat pessimistic profits statement by Mr. Alexander Page, its chairman, and it has also been the victim of a general decline in the Stock Market over the past few weeks.

# Indian Parliament debates election law Bill to-day

BY OUR ASIA CORRESPONDENT

THE INDIAN Government yesterday introduced retroactive legislation designed to nullify two High Court convictions against Mrs. Indira Gandhi, the Prime Minister, for corrupt election practices. The conviction threatened to end Mrs. Gandhi's political career at least for the next six years.

The measures will be debated to-day, but are certain to be passed because Mrs. Gandhi's Ruling Congress Party commands more than the necessary two-thirds majority in the Lok Sabha, the Indian Lower House.

When the Bill was tabled yesterday there was a lone voice of protest—that of former Minister, Mr. Mohan Dharia, who claimed the legislation was an attempt "to circumvent" the court ruling. Mr. Dharia, at one time one of the bright hopes of the Ruling Congress, was expelled last month after criticising Mrs. Gandhi's determination to stay in power at all costs.

The rest of the opposition is boycotting Parliament because of the arrest of a number of their colleagues under the State of Emergency and the refusal of the Government to allow Press reporting of the special session of Parliament except for speeches by Government Ministers.

The Indian censor yesterday continued to keep a strict watch on newspaper stories and refused to pass anything but the barest outline of the fact that the Government had tabled legislation.

The Government is seeking to invalidate the High Court conviction by a series of amendments to the poll campaign rules of the 1951 Representation of the People Act.

Under one amendment the resignation of a Government employee can be accepted with retro-active effect and cannot be questioned in a court of law. According to another "any expenditure incurred" by an official "in the discharge of his official duties" cannot be regarded as an expense "incurred in connection with the election."

In the Allahabad High Court on June 12, Mr. Justice J. M. L. Sinha found Mrs. Gandhi guilty of two corrupt election practices: her personal secretary, Mr. Yashpal Kapoor, had campaigned for her in the 1971 General Election while still a Government employee: and Government officials in her Rai Bareilly constituency had made various arrangements for her election meetings.

Because of the convictions, Mrs. Gandhi's 110,000-vote victory was set aside and she was barred from elective office for the statutory six year period.

Mrs. Gandhi won a conditional stay of execution from the judge's order until the Supreme Court considers her appeal next Monday, but if Parliament passes the constitutional amendments—which are to be effective retro-actively—the Supreme Court hearing will be of academic interest, if it is allowed at all.

Editorial comment, Page 12

# Concorde flight to Australia

BY KENNETH RANDALL

CANBERRA, August 3.

CONCORDE 204 flew from Singapore to Melbourne and back to-day on the first of its delayed proving flights on the Australian route. Flying time to Melbourne was three hours 55 minutes, including two hours 20 minutes at twice the speed of sound.

The Concorde will fly back to Melbourne from Singapore to-morrow and on Thursday begin a series of VIP and Press flights between the two cities. Conservationist opponents of the supersonic airliner have planned a series of demonstrations against the publicity flights, including the permanent occupancy of every lavatory at Melbourne's Tullamarine Airport.

Mr. Whitlam, the Prime Minister, has withdrawn from the Concorde flight guest list, partly it is reported to assuage conservationist feeling within the Labour Party. Several Labour Ministers will, however, go ahead with their free flights.

To-day's reception of Concorde was incident-free. A reporter for Australia's most widely-heard current affairs radio programme commented that the arrival was of a "much quieter, cleaner Concorde than the raucous, smoking prototype that came here three years ago."

## Weather

U.K. TO-DAY

VERY HOT. Some rain with thunder in many places. Coastal fog-patches.

**London, S.E. England, E. Midlands and Central N. England**

Sunny periods, perhaps thundery showers later. Wind S.E., light or moderate. Max. 29 to 32C (84 to 90F).

**E. Anglia, E. England**

Sunny periods, perhaps thundery showers later. Wind S.E., moderate or fresh. Max. 27 to 29C (81 to 84F) inland near normal temperatures on coasts.

**Central, S.W. and N.W. England, W. Midlands, Wales**

Rather cloudy, thundery showers, mainly clear by evening. Wind light or moderate. Max. 25 to 27C (77 to 81F).

**Channel Islands**

Sunny periods. Perhaps thundery showers early. Winds light. Max. 26C (79F).

**Lakes, Isle of Man, S.W. and N.W. Scotland, Glasgow, Argyll, N. Ireland**

Thundery showers becoming mostly clear later. Wind S.E., moderate. Max. 24 to 26C (75 to 79F).

**N.E. England Borders Edinburgh and Dundee**

Mostly sunny early perhaps isolated thundery showers later. Wind S.E., moderate or fresh. Max. 26C (79F), cooler on coasts.

**Aberdeen, C. Highlands, Moray Firth, N.E. Scotland, Orkney, Shetland**

Mostly sunny. Wind S.E., moderate. Max. 28C (82F), cooler near coasts.

Outlook: Sunny periods, with the threat of thundery outbreaks, particularly in W. Mostly hot except in parts of W.

Lighting-up: London 21.13, Manchester 21.30, Glasgow 21.48, Belfast 21.50.

BUSINESS CENTRES

| | | Y'day Mid-day °C | °F | | | Y'day Mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Alexandria | F | 30 | 86 | Luxembrg. | S | 31 | 88 |
| Amstrdm. | S | 28 | 82 | Madrid | S | 30 | 86 |
| Athens | F | 31 | 88 | Manchestr. | S | 28 | 82 |
| Bahrain | S | 36 | 96 | Melbourne | R | 11 | 52 |
| Barcelona | S | 29 | 84 | Milan | S | 30 | 86 |
| Beirut | S | 29 | 84 | Montreal | C | 24 | 75 |
| Belfast | F | 27 | 81 | Moscow | R | 18 | 64 |
| Belgrade | F | 22 | 72 | Munich | S | 26 | 79 |
| Berlin | S | 26 | 79 | Newcastle | S | 25 | 77 |
| Birmghm. | S | 30 | 86 | New York | C | 19 | 66 |
| Bristol | S | 31 | 88 | Oslo | S | 29 | 84 |
| Brussels | S | 32 | 90 | Paris | S | 34 | 93 |
| Budapest | C | 24 | 75 | Perth | F | 14 | 57 |
| B. Aires | C | 10 | 50 | Prague | S | 24 | 75 |
| Cairo | S | 34 | 94 | Reykjavik | C | 10 | 50 |
| Cardiff | S | 28 | 82 | Rio de J'o | S | 26 | 79 |
| Cologne | S | 31 | 88 | Rome | S | 29 | 84 |
| Copnhagn. | S | 23 | 73 | Singapore | S | 30 | 86 |
| Dublin | S | 25 | 77 | Stockholm | S | 30 | 86 |
| Edinb'rgh | S | 25 | 77 | Strasbourg | S | 31 | 88 |
| Frankfurt | S | 29 | 84 | Sydney | R | 16 | 61 |
| Geneva | S | 27 | 81 | Tehran | S | 37 | 99 |
| Glasgow | S | 29 | 84 | Tel Aviv | S | 28 | 82 |
| Helsinki | F | 27 | 81 | Tokyo | S | 32 | 90 |
| H. Kong | S | 29 | 84 | Toronto | C | 23 | 73 |
| Jo'burg | S | 26 | 79 | Vienna | R | 23 | 73 |
| Lisbon | C | 23 | 73 | Warsaw | C | 22 | 72 |
| London | S | 29 | 84 | | | | |

HOLIDAY RESORTS

| | | Y'day Mid-day °C | °F | | | Y'day Mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 28 | 82 | Las Plms. | S | 24 | 75 |
| Algiers | C | 31 | 88 | Locarno | S | 28 | 82 |
| Biarritz | S | 35 | 95 | Luxor | S | 38 | 100 |
| Blackpool | S | 30 | 86 | Majorca | S | 32 | 90 |
| Bordeaux | S | 35 | 95 | Malaga | S | 29 | 84 |
| Boulogne | S | 31 | 88 | Malta | S | 29 | 84 |
| Casablnca. | F | 24 | 75 | Nairobi | C | 17 | 63 |
| Cape Tn. | S | 17 | 63 | Naples | S | 30 | 86 |
| Corfu | S | 29 | 84 | Nice | S | 28 | 82 |
| Dubrovnik | F | 28 | 82 | Nicosia | S | 28 | 82 |
| Faro | S | 25 | 77 | Oporto | F | 23 | 73 |
| Florence | S | 32 | 90 | Rhodes | S | 29 | 84 |
| Funchal | S | 26 | 79 | Salzburg | S | 27 | 81 |
| Gibraltar | C | 27 | 81 | Tangier | S | 26 | 79 |
| Guernsey | C | 23 | 73 | Tenerife | F | 20 | 68 |
| Innsbruck | S | 28 | 82 | Tunis | S | 32 | 90 |
| Inverness | S | 22 | 72 | Valencia | S | 30 | 86 |
| I. of Man | S | 24 | 75 | Venice | S | 29 | 84 |
| Jersey | C | 27 | 81 | | | | |

S—Sunny. F—Fair. C—Cloudy. R—Rain

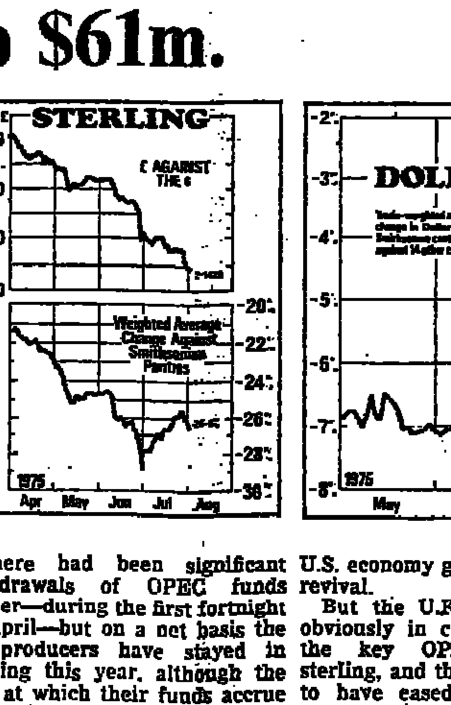
Continued from Page 1

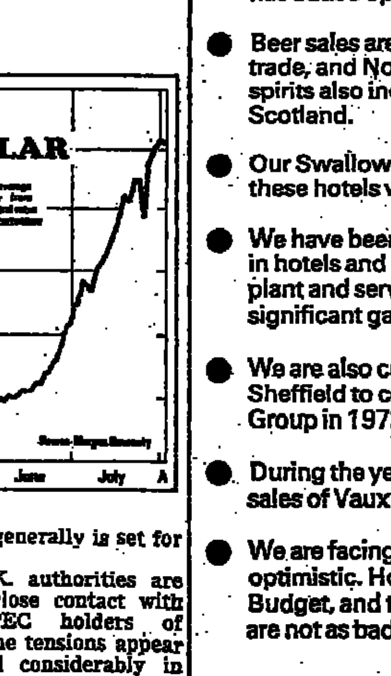
# Reserves up $61m.

panies protected the pound from the dollar's general rise almost until the end of the month.

A significant proportion of these payments has in the past been kept in London after receipt by the OPEC countries and has proved a major element in the financing of the U.K. balance of payments deficit.

But, as in the past, a lot of the July inflow will be reinvested in other currencies. Rather than show a much larger increase in the reserves during July, to be followed automatically by withdrawals in August, the U.K. authorities have almost certainly decided to smooth out the effect on the figures this time. In other words, they have chosen not to reveal the full extent of the July inflow.




This sudden inflow of funds into London may seem ironic in view of the sterling crisis at the end of June. It has more than made up for the loss of reserves in the closing days of June (which count in the July figures). But, as reported at the time, the loss was not very significant.

The main worries of the U.K. authorities then were:

1—That no conceivable amount of intervention could arrest the potentially serious decline in the sterling exchange rate before the incomes policy measures were announced; and

2—A genuine threat by a key holder of sterling—believed to be Kuwait—of withdrawals of funds from London if no measures were taken.

There had been significant withdrawals of OPEC funds earlier—during the first fortnight of April—but on a net basis the oil producers have stayed in sterling this year, although the rate at which their funds accrue has slowed down, not least because they have been spending them so fast.

The recent increase in the Bank of England's minimum lending rate was also made against the background of oil producers' concern about sterling.

This does not seem to have had an overpowering effect in the face of the strength of the dollar, which itself reflects renewed faith in the U.S. economy, with regard to the attack on U.S. inflation, the improved trade balance, and the many indicators suggesting the U.S. economy generally is set for revival.

But the U.K. authorities are obviously in close contact with the key OPEC holders of sterling, and the tensions appear to have eased considerably in recent weeks.

Meanwhile the contrast between the sterling/dollar performance and the pound's recovery against other key currencies has focused market attention on the Bank's intervention tactics. There have been clear signs recently that the U.K. authorities have been more active in smoothing out fluctuations in the pound's value against a number of key currencies, to stop any one individual movement from getting out of line.



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